

Power Planning Associates Limited

Annual Report for the year ended
30 June 2016

Company Number 03419816



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Company information

Directors

T J Curtis
M W Garrett
I J Gibson
I F Rogerson
D J Shemmans

Company Secretary

Patricia Ryan

Registered Office

Shoreham Technical Centre
Shoreham-by-Sea
West Sussex
BN43 5FG

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
25 High Street
Crawley
West Sussex
RH10 1BG

Directors' report for the year ended 30 June 2016

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2016. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Results and dividends

The Company's total comprehensive expense for the financial year was £56,795 (17 month period ended 30 June 2015: total comprehensive income of £110,953). No interim dividends were paid during the financial year/period (2015: £Nil) and no final dividend is proposed (2015: £Nil).

Since the acquisition in the prior period by Ricardo plc only a few contracts have not been novated and are still generating revenue for the Company, with the work being sub-contracted to Ricardo-AEA Limited.

These financial statements of Power Planning Associates Limited have been prepared for the first time in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'), including the 2015/16 cycle amendments to FRS 101 issued in July 2016. The impact of having adopted FRS 101 for the first time on total equity on the date of transition of 1 February 2014 and the comparative reporting date of 30 June 2015, together with the impact on total comprehensive income for the comparative period ended 30 June 2015 is disclosed in Note 17 to the financial statements.

Events after reporting date

After the year-end, a process was completed to restructure the legal entities within the Group ultimately controlled by Ricardo plc. As a result of this process, an agreement was reached on 10 October 2016 for the investment of Ricardo plc in the Company to be transferred to Ricardo Investments Limited. Whilst Ricardo plc remains the ultimate parent company and controlling party of the Company as disclosed in Note 15, it is no longer the immediate parent company and Ricardo Investments Limited is instead the Company's immediate parent company as of the date of this report.

Strategic report exemption

The Company has taken advantage of the exemption in Section 414B of the Companies Act 2006 from preparing a strategic report on the basis that the Company would be entitled to prepare financial statements in accordance with the small companies' regime but for being a member of an ineligible group.

Directors

The Directors who held office between 1 July 2015 and the date of signing this report are shown below:

R T Bell (resigned 10 September 2015)

T J Curtis (resigned 10 September 2015, appointed 1 January 2016)

M W Garrett

I J Gibson

I F Rogerson (resigned 10 September 2015, appointed 1 January 2016)

D J Shemmians

Directors' indemnity

The Company has purchased and maintained throughout the year and up until approval of these financial statements Directors' and Officers' liability insurance in respect of itself and its Directors. The Directors also have benefited of the indemnity provisions in the Company's Articles of Association. The Company has entered into letter agreements for the benefit of the Directors of the Company in respect of liabilities which may attach to them in their capacity as Directors of the Company or associated companies. These provisions are qualifying third party indemnity provisions as defined in section 234 of the Companies Act 2006.

Directors' report for the year ended 30 June 2016 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

Disclosure of information to Independent auditors

Each of the persons who are a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the Board



I F Rogerson
Director
23 March 2017

Power Planning Associates Limited

Independent auditors' report to the members of Power Planning Associates Limited

Report on the financial statements

Our opinion

In our opinion, Power Planning Associates Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the statement of financial position as at 30 June 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Power Planning Associates Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
23 March 2017

Statement of comprehensive income

for the year to 30 June 2016

| | | Year ended 30 June 2016 Total £ | 17 months ended 30 June 2015 Total £ |
|---|------|--|---|
| | Note | | |
| Revenue | 2 | 520,208 | 2,028,180 |
| Cost of sales | | (496,143) | (682,646) |
| Gross profit | | 24,065 | 1,345,534 |
| Administrative expenses | | (39,777) | (1,210,100) |
| Operating (loss)/profit | 3 | (15,712) | 135,434 |
| Finance income | | 16 | 295 |
| (Loss)/profit on ordinary activities before taxation | | (15,696) | 135,729 |
| Income tax expense on (loss)/profit on ordinary activities | 5 | - | (24,776) |
| (Loss)/profit and total comprehensive (expense)/income for the year/period | | (15,696) | 110,953 |

Statement of changes in equity

for the year to 30 June 2016

| | Share capital £ | Share Premium £ | Retained earnings £ | Total equity £ |
|--|-----------------------|-----------------------|---------------------------|----------------------|
| At 1 Feb 2014 | 141,500 | 7,590 | 455,494 | 589,444 |
| Exercise of share options | - | 13,950 | - | 13,950 |
| Profit and total comprehensive income for the year | - | - | 110,953 | 110,953 |
| At 30 June 2015 | 141,500 | 21,900 | 566,447 | 729,847 |
| At 1 July 2015 | 141,500 | 21,900 | 566,447 | 729,847 |
| Loss and total comprehensive expense for the year | - | - | (15,696) | (15,696) |
| At 30 June 2016 | 141,500 | 21,900 | 550,751 | 714,151 |


Statement of financial position

as at 30 June 2016

| | Note | 30 June 2016 £ | 30 June 2015 £ |
|--------------------------------|------|----------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 13,722 | 15,909 |
| Investments | 8 | 268 | 268 |
| | | 13,990 | 16,177 |
| Current assets | | | |
| Trade and other receivables | 9 | 602,073 | 554,455 |
| Cash and cash equivalents | | 277,497 | 339,057 |
| | | 879,570 | 893,512 |
| Total assets | | 893,560 | 909,689 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | (168,677) | (147,153) |
| Current tax liabilities | | - | (21,957) |
| | | (168,677) | (169,110) |
| Net current assets | | 710,893 | 724,402 |
| Non-current liabilities | | | |
| Provisions | 12 | (10,000) | (10,000) |
| Deferred tax liabilities | 13 | (732) | (732) |
| | | (10,732) | (10,732) |
| Total liabilities | | (179,409) | (179,842) |
| Net assets | | 714,151 | 729,847 |
| Shareholders' equity | | | |
| Share capital | 14 | 141,500 | 141,500 |
| Share premium | | 21,900 | 21,900 |
| Retained earnings | | 550,751 | 566,447 |
| Total equity | | 714,151 | 729,847 |

The notes on pages 9 to 18 are an integral part of these financial statements

The financial statements of Power Planning Associates Limited (registered number 03419816) were approved by the Board of Directors on 23 March 2027 and signed on its behalf by:


I F Rogerson
Director

Notes to the financial statements

1. Accounting policies

Power Planning Associates Limited's (the 'Company') principal activity is that of providing consulting engineers, economists and management consultants services to the power industry.

The Company is a private company and limited by shares. The Company is incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is Shoreham Technical Centre, Shoreham-by-Sea, West Sussex, BN43 5FG, United Kingdom.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

(a) Basis of preparation

These financial statements of Power Planning Associates Limited have been prepared for the first time in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'), including the 2015/16 cycle amendments to FRS 101 issued in July 2016. The impact of having adopted FRS 101 for the first time on total equity on the date of transition of 1 February 2014 and the comparative reporting date of 30 June 2015, together with the impact on total comprehensive income for the comparative year ended 30 June 2015 is disclosed in Note 17.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, including the amendments to the EU Accounting Directive, which have been enacted through The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (SI 2015/980).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(e).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- the requirement of IFRS 1 'First-time adoption of International Financial Reporting Standards' to present a statement of financial position at the date of transition;
- IFRS 7 'Financial Instruments: Disclosures';
- paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement';
- paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16 'Property, Plant and Equipment';
- paragraphs 10(d), 10(f), 16, 38A-D, 40A-D, 111 and 134-136 of IAS 1 'Presentation of Financial Statements';
- IAS 7 'Statement of Cash Flows';
- paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- paragraph 17 of IAS 24 'Related Party Disclosures'; and
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of the Group headed by Ricardo plc, provided that any subsidiary which is party to the transaction is wholly-owned by such a member.

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 June 2016, have had a material impact on the Company.

(b) Basis of consolidation

The financial statements contain information about Power Planning Associates Limited as an individual company 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 are included by full consolidation in the financial statements of its parent, Ricardo plc, a company registered in England and Wales.

(c) Going concern

The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities for a period of at least

Power Planning Associates Limited
Notes to the financial statements (continued)

1. Accounting policies (continued)

twelve months from the date of approval of these financial statements.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

(d) Statement of cash flows and related party disclosures

The Company is a controlled subsidiary of Ricardo plc and is included in its consolidated financial statements, which are publicly available (see Note 15). Consequently, the Company has taken advantage of the exemption from preparing a statement of cash flows in accordance with Financial Reporting Standard 101 Paragraphs 5 and 8(h).

The Company is also exempt under the terms of Financial Reporting Standard 101 Paragraph 8(k) from disclosing related party transactions with entities that are part of the Ricardo plc Group, on the basis that the Company is a wholly-owned subsidiary of Ricardo plc.

(e) Management judgements and key accounting estimates

In preparing the financial statements, management is required to exercise judgement in making estimates and assumptions that affect reported amounts and disclosures. These judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates and assumptions. The following accounting policies have been identified as being particularly sensitive to complex or subjective judgements or estimates:

Revenue recognition for fixed price contracts

The Company derives all of its revenue from the supply of professional services under contracts, most of which are normally fixed price contracts that may extend for a significant period of time. While fixed price contracts are in progress, revenue is recognised based on their expected profitability and extent of completion. Profit is only taken once the outcome of the contract can be estimated reliably, however, unforeseen future events may adversely impact the accuracy of those estimates. Further details are given in Note 10.

(f) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. The gross cost of an item of property, plant and equipment is the purchase price and any costs directly attributable to bringing the asset to the location and

condition necessary for it to be capable of operating in the manner intended. Grants contributing to the cost of an asset are recognised separately from the asset as deferred income and credited to the depreciation charge throughout the useful life of the asset.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Fixtures, fittings and equipment - Between 3 and 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets under construction are carried at cost, less any impairment in value, and are included in the relevant asset category. Depreciation of these assets commences when they are available for their intended use.

(g) Fixed asset investments

Investments in subsidiaries are stated at cost less any impairment in value. The Company evaluates the carrying value of investments in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written-off to the Statement of Comprehensive Income.

(h) Financial instruments

The Company's non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents.

Trade receivables and payables are measured initially at fair value, and subsequently at amortised cost. Trade receivables are stated net of allowances for irrecoverable amounts. Evidence of impairment of trade receivables include indications that customers are experiencing significant financial difficulty or have significantly overdue balances.

The fair values of non-derivative financial instruments are approximately equal to their book value.

(i) Provisions

A provision is required when the Company has a present legal or constructive obligation at the balance sheet date as a result of a past event, and it is probable that settlement will be required of an amount that can be reliably estimated.

(j) Revenue

The Company earns revenue through the supply of professional services and products to customers. Revenue is stated net of value added or other sales taxes.

Power Planning Associates Limited
Notes to the financial statements (continued)

1. Accounting policies (continued)

Professional services

The majority of the Company's revenue is earned from contracts for professional services. These are typically awarded on a fixed price basis. Where the outcome can be estimated reliably, contract revenue recognition is based on the extent to which the services have been performed. Performance is measured based on costs incurred to date as a percentage of total expected costs.

Profit is not recognised on a contract, and revenue is not recognised in excess of recoverable costs, unless its outcome can be estimated reliably. A loss on a contract is recognised immediately when it becomes probable that the contract cost will exceed the total contract revenue.

Revenue from contract variations closely linked to underlying fixed price contracts is recognised based on performance under the contract as a whole, but only to the extent that it can be reliably measured and it is probable that the customer will approve both the variation and the amount of additional revenue. Contract variations not closely linked to underlying contracts are treated as separate contracts.

Assets arising from the recognition of revenue are recorded in trade and other receivables, initially as amounts recoverable on contracts and are transferred to trade receivables when invoiced. Amounts received from customers for services not yet recognised as revenue are initially classified as payments received in advance on contracts within trade and other payables.

(k) Leases

The costs of operating lease and amortisation of operating lease incentives are charged to the statement of Comprehensive Income on a straight-line basis over the period of the lease.

(l) Foreign currency transactions

The presentational currency of the Company is Pounds Sterling. The functional currency is the currency of the primary economic environment in which the Company operates. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the date when the transaction occurred. Gains and losses arising on retranslation and settlements are included in Statement of Comprehensive Income.

(m) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in shareholders' equity, in which case, the tax is also recognised directly in shareholders' equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using the average enacted rate applicable, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Dividends

Dividends are recognised as a liability in the year in which they are fully authorised. Interim dividends are recognised when paid.

Notes to the financial statements (continued)**2. Revenue**

The Directors consider that the Company operates in one business segment, serving the global power market.

Revenue by customer location:

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|-------------------|---------------------------------------|--|
| UK | - | 700,947 |
| Rest of Europe | 182,164 | 267,200 |
| Rest of the World | 338,044 | 1,060,033 |
| | 520,208 | 2,028,180 |

3. Operating (loss)/profit

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|--|---------------------------------------|--|
| The following items have been charged/(credited) in arriving at operating (loss)/profit: | | |
| Depreciation of property, plant and equipment | 2,187 | 8,962 |
| Operating leases | - | 55,937 |
| Foreign exchange differences | (34,458) | (14,247) |

| | £ | £ |
|---|--------|--------|
| Fees payable to the Company's auditors and its associates | | |
| Audit-related assurance services | 10,167 | 11,500 |
| Other assurance services | - | 1,250 |
| | 10,167 | 12,750 |

4. Employees

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|-----------------------|---------------------------------------|--|
| Staff costs | | |
| Wages and salaries | - | 743,472 |
| Social security costs | - | 94,647 |
| Other pension costs | - | 39,187 |
| | - | 877,306 |

| | Number | Number |
|--------------------------------------|--------|--------|
| Average monthly number of employees | | |
| Consultants | - | 11 |
| Management, administration and sales | - | 1 |
| | - | 12 |

Power Planning Associates Limited
Notes to the financial statements (continued)
4. Employees (continued)

Post-acquisition of the Company by Ricardo plc in November 2014, all staff contracts were transferred to a fellow group subsidiary, Ricardo-AEA Limited.

| | Year ended 30 June 2016 | 17 months ended 30 June 2015 |
|--------------------------|----------------------------------|---------------------------------------|
| | £ | £ |
| Directors' remuneration | - | 189,381 |
| Directors' emoluments | - | 11,663 |
| Post-employment benefits | - | 201,044 |

The total amount payable to the highest paid Director in respect of emoluments was £nil (2015 - £83,519).

The emoluments of R T Bell, T J Curtis and I F Rogerson were paid by Ricardo-AEA Limited, a fellow subsidiary of Ricardo plc. The emoluments of M W Garrett, I J Gibson, and D J Shemmans were paid by the ultimate parent company, Ricardo plc. The services of all Directors to this Company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services provided to the companies by whom their emoluments are paid.

5. Taxation

(a) Analysis of tax expense for the financial year/period

| | Year ended 30 June 2016 | 17 months ended 30 June 2015 |
|---|----------------------------------|---------------------------------------|
| | £ | £ |
| Tax expense included in profit or loss | | |
| Current tax | | |
| UK corporation tax on (loss)/profit for the financial year/period | - | 28,734 |
| Total current tax | - | 28,734 |
| Overseas tax | | |
| Overseas withholding tax suffered | - | (3,958) |
| Total overseas tax | - | (3,958) |
| Total current tax | - | 24,776 |
| Deferred tax (Note 13) | | |
| Charge for the year relating to temporary differences | - | - |
| Total deferred tax | - | - |
| Income tax expense on (loss)/profit on ordinary activities | - | 24,776 |

Notes to the financial statements (continued)**5. Taxation (continued)**

The income tax expense for the financial year/period is higher (2015: lower) than the standard effective rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|---|------------------------------------|---|
| (Loss)/profit on ordinary activities before taxation | (15,696) | 135,729 |
| (Loss)/profit for the year/period multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%) | (3,139) | 28,503 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 1,461 |
| Group relief surrendered/(claimed) | 2,930 | (1,230) |
| Effect of changes in tax rate | (139) | - |
| Deferred tax not recognised | 348 | - |
| Overseas tax | - | (3,958) |
| Total tax charge for the year/period | - | 24,776 |

(b) Factors affecting current and future tax charges

The tax rate for the current year is lower than the prior period due to changes in the UK corporation tax rate which decreased from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 26 October 2016. These include reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the reporting date have been measured and reflected in these financial statements by using the tax rate of 19% which will be applicable in the next financial year.

6. Dividends

No interim dividends were paid in the year and the Directors have not declared a final dividend in respect of the financial year ended 30 June 2016.

7. Property, plant and equipment

| | Fixtures, fittings and equipment £ |
|---------------------------------|--|
| Cost | |
| At 1 July and 30 June 2016 | 113,319 |
| Accumulated depreciation | |
| At 1 July 2015 | 97,410 |
| Charge for the year | 2,187 |
| At 30 June 2016 | 99,597 |
| Net book value | |
| At 30 June 2016 | 13,722 |
| At 30 June 2015 | 15,909 |

Power Planning Associates Limited
Notes to the financial statements (continued)
8. Investments

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|----------------------|---------------------------------------|--|
| Cost at 30 June 2016 | 268 | 268 |

Subsidiary Undertakings

| | Registered Office | Class of Shares held | Proportion of share capital held | Nature of Business |
|----------------------------------|--|----------------------|----------------------------------|-------------------------|
| PPA Energy (Proprietary) Limited | Block B, Bradford Road 12 Bradford House, Bedfordview 2007, Johannesburg, South Africa | Ordinary Shares | 100% | Engineering Consultants |
| PPA Energy Developments Limited | Shoreham Technical Centre, Shoreham-by-Sea, West Sussex, BN43 5FG, UK | Ordinary Shares | 100% | Liquidation |

9. Trade and other receivables

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|--|---------------------------------------|--|
| Trade receivables | 380,956 | 91,688 |
| Amounts recoverable on contracts (Note 10) | 65,774 | 159,665 |
| Amounts owed by Group undertakings | 143,923 | 247,259 |
| Other receivables | 11,419 | 55,843 |
| | 602,072 | 554,455 |

All amounts are due within one year.

Amounts owed by Group undertakings are unsecured, interest free and have no fixed repayment date and are repayable on demand.

Power Planning Associates Limited
Notes to the financial statements (continued)

10. Contracts in progress

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|--|---------------------------------------|--|
| Amounts due from contract customers: | | |
| Amounts expected to be recovered within 12 months (Note 9) | 65,774 | 159,665 |
| Amounts due to contract customers: | | |
| Amounts expected to be settled within 12 months (Note 11) | - | (13,121) |
| Net amounts due from contract customers at 30 June | 65,774 | 146,544 |
| Analysed as: | | |
| Contract costs incurred plus recognised profits less recognised losses to date | 520,208 | 2,028,180 |
| Less progress billings | (454,434) | (1,881,636) |
| Contracts in progress at 30 June | 65,774 | 146,544 |

11. Trade and other payables

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|---|---------------------------------------|--|
| Trade payables | 90,711 | 26,158 |
| Tax and social security payable | - | 3,363 |
| Amounts owed to Group undertakings | 44,714 | 763 |
| Accruals and deferred income | 33,252 | 103,748 |
| Payments received in advance on contracts | - | 13,121 |
| | 168,677 | 147,153 |

All amounts are due within one year.

Amounts owed to Group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

12. Provisions

| | Dilapidation £ |
|---------------------------------|-------------------|
| At 1 July 2015 and 30 June 2016 | 10,000 |

Power Planning Associates Limited
Notes to the financial statements (continued)

13. Deferred tax

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|--|---------------------------------------|--|
| Recognised deferred tax liability | | |
| At 1 July 2015 | 732 | 732 |
| Current year tax charge | - | - |
| At 30 June 2016 | 732 | 732 |

| | Year ended 30 June 2016 £ | 17 months ended 30 June 2015 £ |
|---|---------------------------------------|--|
| Deferred tax liability comprises | | |
| Accelerated capital allowances | 732 | 732 |
| At 30 June 2016 | 732 | 732 |

14. Share capital

| Allotted fully paid ordinary shares of £1 each | Number | £ |
|--|---------|---------|
| At 1 July 2015 and 30 June 2016 | 141,500 | 141,500 |

15. Controlling party

The ultimate parent undertaking and the controlling party is Ricardo plc, which is the parent of the smallest and largest group to consolidate these financial statements. Copies of the Ricardo plc consolidated financial statements can be obtained from www.ricardo.com or The Company Secretary, Ricardo plc, Shoreham Technical Centre, Shoreham by Sea, West Sussex, BN43 5FG.

16. Events after the reporting date

After the year-end, a process was completed to restructure the legal entities within the Group ultimately controlled by Ricardo plc. As a result of this process, an agreement was reached on 10 October 2016 for the investment of Ricardo plc in the Company to be transferred to Ricardo Investments Limited. Whilst Ricardo plc remains the ultimate parent company and controlling party of the Company as disclosed in Note 15, Ricardo Investments Limited is the Company's immediate parent company as of the date of approval of these financial statements.

Power Planning Associates Limited
Notes to the financial statements (continued)

17. First-time adoption of FRS 101

This is the first year in respect of which the Company has prepared its financial statements under FRS 101. The preparation of these financial statements also includes the 2015/16 cycle amendments to FRS 101 issued in July 2016 and the amendments to the EU Accounting Directive, which have been enacted through The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (SI 2015/980).

The previous financial statements for the period ended 30 June 2015 were prepared under 'old UK GAAP'. The date of transition to FRS 101 for the company is 1 February 2014. No adjustments were identified.