

**Galliford Try Estates Limited (formerly Pentland Limited)**

Annual report and Financial statements

For the year ended 30 June 2017

Registered number: 04257636



## **Galliford Try Estates Limited (formerly Pentland Limited)**

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# **Galliford Try Estates Limited (formerly Pentland Limited)**

## **Directors and advisers**

### **Directors**

DM Ashton  
G Corden

### **Company secretary**

Galliford Try Secretariat Services Limited

### **Registered office**

Cowley Business Park  
Cowley  
Uxbridge  
Middlesex  
England  
UB8 2AL

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
The Atrium  
1 Harefield Road  
Uxbridge  
Middlesex  
UB8 1EX

### **Bankers**

Barclays Bank plc  
15 Colmore Row  
Birmingham  
B3 2WN

HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EZ

## **Galliford Try Estates Limited (formerly Pentland Limited)**

### **Strategic report for the year ended 30 June 2017**

The directors present their strategic report of Galliford Try Estates Limited (formerly Pentland Limited) ("the Company"), for the year ended 30 June 2017.

#### **Review of business**

The Company's principal activities were to act as chartered surveyors, dealing with property valuation, landlord and tenant negotiations as well as Energy Performance Certificate (EPC) surveys. During 2016, the Company disposed of its investment in Pentland Estate Management to Linden Limited, a fellow subsidiary of Galliford Try plc, for consideration left outstanding as an intercompany loan. This is reflected in the decrease in turnover.

#### **Principal risks, uncertainties and key performance indicators**

From the perspective of the Company, the principal risks and uncertainties are integrated with that of Galliford Try plc and are not managed separately. These are discussed within the Group's annual report.

The directors of Galliford Try plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of Galliford Try plc, which includes the Company, is discussed in the Group's annual report, which does not form part of this report. The Galliford Try plc annual report is publicly available, refer to note 15 for further details.

#### **General**

The Company's result for the financial year was £nil (2016: profit £39,818), which will be added to reserves. Net assets at 30 June 2017 was £991,000 (30 June 2016: net assets £991,000).

By order of the board

<p>For and on behalf of</p> <p><i>A.S. Wile</i></p> <p>Galliford Try Secretariat Services Limited</p>
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**Galliford Try Secretariat Services Limited**

Company Secretary

26 March 2018

## **Galliford Try Estates Limited (formerly Pentland Limited)**

### **Directors' Report for the year ended 30 June 2017**

The directors present their report and audited financial statements of Galliford Try Estates Limited (formerly Pentland Limited) ("the Company"), registered number 04257636 for the year ended 30 June 2017.

#### **Future developments**

The directors do not expect any significant changes to the principal activities of the Company in the foreseeable future.

#### **Dividends**

The directors do not recommend the payment of a dividend (2016: £Nil).

#### **Political and charitable donations**

The Company is exempt from disclosing political and charitable donations as it is a wholly owned subsidiary incorporated in the United Kingdom.

#### **Financial risk management**

The Company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, cash flow risk and interest rate risk. The policies to mitigate the potential impact of these financial risks are set by the directors, who monitor their effectiveness on a monthly basis during board meetings.

Where appropriate, credit checks are made prior to the acceptance of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Weekly reviews of the debtors ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the Company's liquidity position.

The rates of interest earned or paid on the Group's cash balances and loans and overdrafts are monitored on an ongoing basis with regular reviews of the Galliford Try group banking arrangements. Deposits, loans and overdrafts are made with reference to these facilities, in conjunction with projections of future cash requirements.

The Galliford Try group actively maintains an appropriate level of cash reserves that are available for operations and planned expansions of the Group as a whole. The group ensures that sufficient cash reserves are made available to its subsidiary undertakings.

Additional information on the group's financial risk management can be found in the consolidated group financial statements of Galliford Try plc copies of which are publicly available.

#### **Directors**

The present directors of the Company are set out on page 1, all of whom served throughout the year and up to the date of signing the financial statements.

#### **Qualifying third-party and pension scheme indemnity provisions**

The Group maintains appropriate Directors' and Officers' Liability Insurance on behalf of the directors and General Counsel and Company Secretary. In addition, individual qualifying third-party indemnities are given to the directors and General Counsel and Company Secretary which comply with the provisions of Section 234 of the Companies Act 2006, and were in force throughout the year and up to the date of signing the Annual Report.

**Galliford Try Estates Limited (formerly Pentland Limited)**  
**Directors' Report for the year ended 30 June 2017 (continued)**

**Statement of directors' responsibilities**

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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;
- 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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware;
- they have taken all the steps that they ought to have 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.

**Statement of disclosure of information to auditors**

Each of the persons who is a designated director at the date of the approval of this report confirms that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that ought to have been taken as a director in order to make himself 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**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

**Galliford Try Estates Limited (formerly Pentland Limited)**  
**Directors' Report for the year ended 30 June 2017 (continued)**

**Post balance sheet events**

No matters have arisen since the year end that requires disclosure in the financial statements.

The directors' report was approved by the board of directors on <sup>26</sup> March 2018 and signed by its order by:

For and on behalf of  
*A.S. Wite*  
Galliford Try Secretariat Services Limited

**Galliford Try Secretariat Services Limited**  
Company secretary  
<sup>26</sup> March 2018

# ***Independent auditors' report to the members of Galliford Try Estates Limited (formerly Pentland Limited)***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Galliford Try Estates Limited (formerly Pentland Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2017; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



# ***Independent auditors' report to the members of Galliford Try Estates Limited (formerly Pentland Limited)***

## ***(continued)***

### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of the Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' responsibilities for the audit of the financial statements***

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### ***Use of this report***

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.

***Independent auditors' report to the members of Galliford  
Try Estates Limited (formerly Pentland Limited)  
(continued)***

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**Other required reporting**

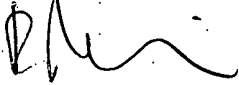
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**Companies Act 2006 exception reporting**

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

We have no exceptions to report arising from this responsibility.



Radek Vik (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge  
26 March 2018

**Galliford Try Estates Limited (formerly Pentland Limited)**  
**Income statement for the year ended 30 June 2017**

	<b>Note</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Revenue		<b>149</b>	396
Cost of sales		<b>(149)</b>	(308)
Gross result/profit		–	88
Administrative expenses		–	(41)
Operating result/profit		–	47
Interest receivable and similar income	3	–	3
Result/profit before taxation	4	–	50
Tax on result/profit	5	–	(10)
Result/profit for the financial year		–	40

There are no recognised gains and losses other than those shown in the income statement above and therefore no separate statement of comprehensive income has been presented.

There is no material difference between the results shown in the income statement above and their historical cost equivalents for the financial year stated above.

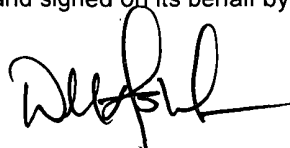
All results are derived from continuing operations.

**Galliford Try Estates Limited (formerly Pentland Limited)**  
**Balance sheet as at 30 June 2017**

	Note	2017 £'000	2016 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	6	–	225
<b>Total non-current assets</b>		–	225
<b>Current assets</b>			
Trade and other receivables	7	919	1,102
Cash and cash equivalents	8	109	35
<b>Total current assets</b>		<b>1,028</b>	<b>1,137</b>
<b>Total assets</b>		<b>1,028</b>	<b>1,362</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	(37)	(361)
Corporation tax payable	10	–	(10)
<b>Total current liabilities</b>		<b>(37)</b>	<b>(371)</b>
<b>Net current assets</b>		<b>991</b>	<b>766</b>
<b>Total liabilities</b>		<b>(37)</b>	<b>(371)</b>
<b>Net assets</b>		<b>991</b>	<b>991</b>
<b>Equity</b>			
Called up share capital	11	1	1
Share premium		467	467
Profit and loss account		523	523
<b>Total equity</b>		<b>991</b>	<b>991</b>

The notes on pages 12 to 19 are an integral part of these financial statements.

The financial statements on pages 9 to 19 were approved by the Board of directors on <sup>26</sup>March 2018 and signed on its behalf by:



DM Ashton  
**Director**  
Registered number: 04257636

**Galliford Try Estates Limited (formerly Pentland Limited)**  
**Statement of changes in equity for the year ended 30 June 2017**

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
As at 01 July 2015	1	467	483	951
Profit for the financial year	—	—	40	40
As at 30 June 2016 and as at 01 July 2016	1	467	523	991
Result for the financial year	—	—	—	—
<b>As at 30 June 2017</b>	<b>1</b>	<b>467</b>	<b>523</b>	<b>991</b>

# **Galliford Try Estates Limited (formerly Pentland Limited)**

## **Notes to the financial statements for the year ended 30 June 2017**

### **1. Accounting policies**

#### **General Information**

Galliford Try Estates Limited (formerly Pentland Limited) ('the Company') is a limited Company incorporated, and domiciled in England and Wales (Registered number: 04257636). The address of the registered office is Galliford Try Estates Limited (formerly Pentland Limited), Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL. Refer to note 15 for details of the immediate and ultimate parent undertaking. The principal activity of the Company is set out on page 2.

The financial statements are measured and presented in pounds sterling as that is the currency of the primary economic environment in which the Company operates. The amounts stated are denominated in thousands (£'000).

#### **Basis of accounting**

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS as adopted by the EU may be obtained.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present cash flow statement.
- The requirements of paragraph 45(b) and 46 to 52 of IFRS 2, Share Based Payments
- The requirements of IFRS 7, Financial Instrument Disclosures
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- The requirements of paragraph 30 and 31 of IAS 8 Accounting Policies
- The requirements of paragraph 17 of IAS 24, Related Party Disclosures, and the requirements in IAS 24 to disclose related party transactions between two members of the Galliford Try group.
- The requirements of paragraph 134 (d) to 134 (f) of IAS 36 Impairment of Assets.
- Certain disclosure requirements under IFRS12 Disclosure of Interests in Other Entities.
- The requirements of Paragraph 38 of IAS1, Presentation of financial statements

New amendments to standards that became mandatory for the first time for the financial year beginning 1 July 2016 are listed below. The new amendments had no significant impact on the Company's results other than certain revised disclosures.

- Annual improvements 2014.
- Amendment to IFRS 11 'Joint arrangements on an acquisition of an interest in a joint operation' (effective 1 January 2016).
- IFRS 14 'Regulatory deferral accounts' (effective 1 January 2016).
- Amendment to IAS 16 'Property, plant and equipment' (effective 1 January 2016).
- Amendment to IAS 38 'Intangible assets' (effective 1 January 2016).
- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative (effective 1 January 2016).

## **Galliford Try Estates Limited (formerly Pentland Limited)**

### **Notes to the financial statements for the year ended 30 June 2017 (continued)**

#### **1. Accounting policies (continued)**

##### **Basis of accounting (continued)**

New standards, amendments and interpretations issued but not effective or yet to be endorsed by the EU are as follows:

- Amendments to IAS 12 'Income taxes' on Recognition of deferred tax assets for unrealised losses (effective 1 January 2017).
- Amendments to IFRS 2 'Share based payments' on clarifying how to account for certain types of share-based payment transactions (effective 1 January 2018).
- IFRS 9 'Financial instruments' (effective 1 January 2018).
- IFRS 15 'Revenue from contracts with customers' and subsequent amendments/clarifications (effective 1 January 2018).
- IFRS 16 'Leases' (effective 1 January 2019).
- Amendments to IFRS 4 'Insurance contracts' regarding the implementation of IFRS 9, 'Financial instruments' (effective 1 January 2018).
- Amendment to IAS 40 'Investment property' relating to transfers of investment property (effective 1 January 2018).
- Annual improvements 2014-2016 (effective 1 January 2017).

The Company has yet to assess the full impact of the remainder of these new standards and amendments. Initial indications are that they will not significantly impact the financial statements of the Company.

The financial statements have been prepared on the going concern basis and under the historical cost convention. A summary of the more important accounting policies is set out below.

##### **Critical accounting estimates and judgments**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Management do not consider there to be any critical estimates and judgements.

##### **Basis of consolidation**

These separate financial statements contain information about Galliford Try Estates Limited (formerly Pentland Limited) as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent, Galliford Try plc, a listed company incorporated and domiciled in England and Wales.

## **Galliford Try Estates Limited (formerly Pentland Limited)**

### **Notes to the financial statements for the year ended 30 June 2017 (continued)**

#### **1. Accounting policies (continued)**

##### **Turnover and profit**

Turnover is recognised when the significant risks and rewards of ownership have been transferred to the purchaser. Turnover comprises the fair value of the consideration received or receivable net of rebates, discounts and value added tax. The Company does not receive any rebates or discounts. The Company's turnover relates to one class of business and is all generated in the UK.

##### **Interest income and expense**

Interest income and expense is recognised on a time proportion basis using the effective interest method.

##### **Dividend policy**

Final dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

##### **Income tax**

Current income tax is based on the taxable profit for the year. Taxable profit differs from profit before taxation recorded in the income statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

The Company surrenders tax losses and other allowances by group relief to other Galliford Try group companies. The party accepting such surrender pays the company an amount equal to the amount of tax such accepting party would have paid but for such surrender.

Deferred income tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax is accounted for on an undiscounted basis. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying temporary differences can be deducted.

Deferred income tax is charged or credited through the income statement, except when it relates to items charged or credited through the income statement, when it is charged or credited there.



## **Galliford Try Estates Limited (formerly Pentland Limited)**

### **Notes to the financial statements for the year ended 30 June 2017 (continued)**

#### **1. Accounting policies (continued)**

##### **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (typically more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within cost of sales.

When a trade receivable is uncollectible, it is written off against the impairment provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against cost of sales in the income statement. Short-term trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

##### **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less. Bank overdrafts are also included as they are an integral part of the Company's cash management.

Bank deposits with an original term of more than three months are classified as short-term deposits where the cash can be withdrawn on demand and the penalty for early withdrawal is not significant.

##### **Trade payables**

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs using the effective interest rate.

**Galliford Try Estates Limited (formerly Pentland Limited)****Notes to the financial statements for the year ended 30 June 2017 (continued)****5. Employees and directors**

Employee benefit expense for the Company for the year is:

	2017 £'000	2016 £'000
Wages and salaries	-	135
Social security costs	-	15
Other pension costs	-	5
	-	155

The average monthly number of people including executive directors employed is:

	2017 Number	2016 Number
By activity:		
Production and sales	1	3
<b>Average number of employees during the year</b>	<b>1</b>	<b>3</b>

The disclosure above includes employees who are employed by Galliford Try Employment Limited, a fellow subsidiary company, who are seconded to Galliford Try Estates Limited (formerly Pentland Limited) and their costs are recharged to the Company accordingly.

The directors did not receive any emoluments from the company for their services during the year (2016: none)

**6. Interest receivable and similar income**

	2017 £'000	2016 £'000
Interest receivable and similar income		
-from Group undertakings	-	3
<b>Total interest receivable and similar income</b>	<b>-</b>	<b>3</b>
<b>Total interest payable and similar expenses</b>	<b>-</b>	<b>-</b>
<b>Net finance income</b>	<b>-</b>	<b>3</b>

**7. Result/profit before taxation**

The following items have been included in arriving at the result/profit before taxation:

	2017 £'000	2016 £'000
Employee benefits expense	-	155

**Services provided by the Company's auditors**

During the year the Company obtained the following services from the Company's auditors at costs as detailed below:

	2017 £'000	2016 £'000
Fees payable to the Company's auditors for the audit of the financial statements	3	3

**Galliford Try Estates Limited (formerly Pentland Limited)****Notes to the financial statements for the year ended 30 June 2017 (continued)****5. Tax on result/profit**

	2017 £'000	2016 £'000
Current tax for the year	–	(10)
<b>Income tax credit/(expense)</b>	<b>–</b>	<b>(10)</b>

The total income tax credit for the year of £nil (2016: expense £(9,954) ) is the same as (2016: same as ) the blended standard rate of corporation tax in the UK of 19.75% (2016: 20.00%). The differences are explained below:

	2017 £'000	2016 £'000
Result/profit before taxation	–	50
Result/profit before income tax multiplied by the blended standard rate in the UK of 19.75% (2016: 20%)	–	(10)
<b>Income tax credit/(expense)</b>	<b>–</b>	<b>(10)</b>

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits for the previous financial year were taxed at a standard rate of 20.0% and for the period to 30 June 2017 are taxed at the blended standard rate of 19.75%.

The UK corporation tax rate is due to be reduced to 17% in April 2020. We have recognised deferred tax at 19% as it is likely that most assets and liabilities will have reversed within three years. Had the 17% rate been applied to those balances that may reverse post April 2020 then the effect on the deferred tax balances would not have been significant.

**6. Investments in subsidiaries**

	£'000
Cost	
At 01 July 2016	225
<b>At 30 June 2017</b>	<b>–</b>
Aggregate impairment	
At 01 July 2016	–
<b>At 30 June 2017</b>	<b>–</b>
Net book value	
<b>At 30 June 2017</b>	<b>–</b>
At 30 June 2016	225

During the year, the Company disposed of its investment in Pentland Estate Management Limited to Linden Limited, a fellow subsidiary of Galliford Try plc.

**Galliford Try Estates Limited (formerly Pentland Limited)****Notes to the financial statements for the year ended 30 June 2017 (continued)****7. Trade and other receivables**

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Trade receivables	–	38
Less: provision for impairment of receivables	–	(3)
Trade receivables - net	–	35
Amounts owed by Group undertakings	919	1,061
Prepayments and accrued income	–	6
	<b>919</b>	<b>1,102</b>

Amounts owed by Group undertakings do not bear interest, have no fixed date of repayment and are repayable on demand.

Trade and other receivables do not contain any assets that are past due or impaired (2016: £3,000).

**8. Cash and cash equivalents**

	2017 £'000	2016 £'000
Cash and cash equivalents	<b>109</b>	<b>35</b>

The effective interest rate received on cash balances is 0.3% (2016: 0.6%).

**9. Trade and other payables**

	2017 £'000	2016 £'000
Trade payables	–	23
Amounts owed to Group undertakings	37	317
Other taxation and social security, payable	–	6
Accrued liabilities and deferred income	–	15
	<b>37</b>	<b>361</b>

Amounts owed to fellow group undertakings are non-interest bearing, unsecured and repayable on demand.

**10. Corporation tax payable**

	2017 £'000	2016 £'000
Corporation tax payable	–	10

**11. Called up share capital**

	Number of shares	Called up share capital £'000
Allotted and fully paid ordinary shares of £1		
At 01 July 2016	1,000	1
<b>At 30 June 2017</b>	<b>1,000</b>	<b>1</b>

## **Galliford Try Estates Limited (formerly Pentland Limited)**

### **Notes to the financial statements for the year ended 30 June 2017 (continued)**

#### **12. Guarantees and contingent liabilities**

The parent company Galliford Try plc and Group subsidiary companies have entered into financial guarantees and counter indemnities in respect of bank and performance bonds issued on behalf of the group undertakings, including joint arrangements and joint ventures, in the normal course of the business amounting to £353 million (2016: £314 million).

Disputes arise in the normal course of business, some of which lead to litigation or arbitration procedures. The directors make proper provision in the financial statements when they believe a liability exists. Whilst the outcome of disputes and arbitration is never certain, the directors believe that the resolution of all existing actions will not have a material adverse effect on the Company's financial position.

#### **13. Related party transactions**

Sales to related parties are based on terms that would be available to unrelated third parties. Receivables are due within one year (2016: one year) and are unsecured and interest free. Payables are due within one year (2016: one year) and are interest free.

#### **14. Post balance sheet events**

No other matters have arisen since the year end that requires disclosure in the financial statements.

#### **15. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Galliford Try Construction & Investments Holdings Limited which is registered in England and Wales. The ultimate parent undertaking and controlling party is Galliford Try plc, which is registered in England and Wales. Galliford Try Construction & Investments Holdings Limited is the smallest consolidation of the company's results and Galliford Try plc is the largest consolidation of the company's results. Copies of the consolidated group financial statements of Galliford Try plc are publicly available from Galliford Try plc, Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AL.