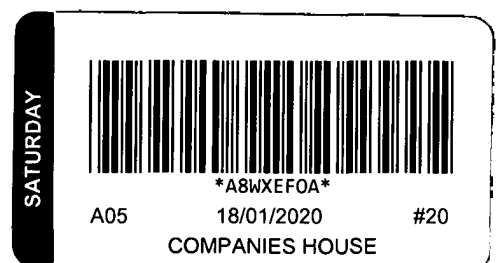


**Galliford Try Investments Limited**

Annual report and Financial statements

For the year ended 30 June 2019

Registered number: 05047034



## **Galliford Try Investments Limited**

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**Galliford Try Investments Limited**  
**Directors and advisers**

**Directors**

M Baxter  
PJ Harris  
B Love  
PJ McGirk  
P McVey  
LR Simmons

**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 Investments Limited**

### **Strategic report for the year ended 30 June 2019**

The directors present their strategic report of Galliford Try Investments Limited ("the Company"), for the year ended 30 June 2019.

#### **Review of business**

The Company's principal activity is management of Galliford Try Plc's involvement in private finance initiatives and other forms of public / private partnership projects. The Company's role is to take an active equity participation in public / private partnerships arrangements for public sector work.

During the financial year, the Company invested £21.4m (2018: £6.0m) in equity and subordinated debt and disposed of investments and associated subordinated debt of £3.7m (2018: £3.0m) generating a profit on disposal of £1.0m (2018: £3.0m).

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

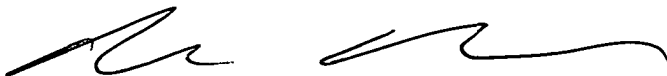
From the perspective of the Company, the principal risks and uncertainties are integrated with that of Galliford Try plc and are not managed separately. These are discussed within the Group's 2019 annual report.

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 2019 annual report, which does not form part of this report. The Galliford Try plc 2019 annual report is publicly available, refer to note 19 for further details.

#### **General**

The Company's profit for the financial year was £6.2m (2018: £6.5m), which will be added to reserves. Net assets at 30 June 2019 was £22.7m. (30 June 2018: £11.1m).

On behalf of the board



**M Baxter**  
Director

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23 / 12 / 19

## **Galliford Try Investments Limited**

### **Directors' Report for the year ended 30 June 2019**

The directors present their report and audited financial statements of Galliford Try Investments Limited ("the Company"), registered number 05047034 for the year ended 30 June 2019.

#### **Future developments**

The directors do not expect any significant changes to the principal activities of the Company in the foreseeable future, other than the transfer of certain management services to its subsidiary Galliford Try Investments Consultancy Services Limited.

#### **Dividends**

The directors do not recommend the payment of a dividend (2018: £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 2019 consolidated group financial statements of Galliford Try plc copies of which are publicly available.

#### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements are set out on page 1, there were no changes during the financial year.

#### **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.

#### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company, Galliford Try plc. The directors have received confirmation that Galliford Try plc intend to support the Company for at least one year after these financial statements are signed.

## **Galliford Try Investments Limited**

### **Directors' Report for the year ended 30 June 2019 (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 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.

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.

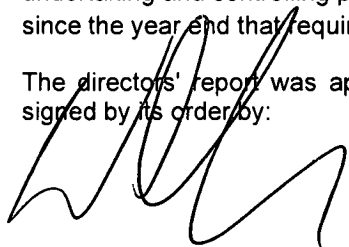
In the case of each director in office at the date the Directors' Report is approved:

- 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.

#### **Post balance sheet events**

Following the announcement in September 2019, the ultimate parent company, Galliford Try plc entered into an agreement with Bovis Homes Group plc for the sale of its housebuilding businesses, Linden Homes and Partnerships & Regeneration. As a result of this transaction the ultimate parent undertaking and controlling party will become Galliford Try Holdings plc. No other 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 23/12/19 and signed by its order by:



**Galliford Try Secretariat Services Limited**  
Company secretary

# **Galliford Try Investments Limited**

## **Independent auditors' report to the members of Galliford Try Investments Limited**

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

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#### **Opinion**

In our opinion, Galliford Try Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit 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 2019; the income statement, the statement of comprehensive income, 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**

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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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 or, 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 for the year ended 30 June 2019, 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.

## **Galliford Try Investments Limited**

### **Independent auditors' report to the members of Galliford Try Investments Limited(continued)**

#### *Strategic Report and Directors' Report for the year ended 30 June 2019*

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 2019 for the year ended 30 June 2019 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 for the year ended 30 June 2019.

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

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

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 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.

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### **Other required reporting**

#### **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

23 December 2019



**Galliford Try Investments Limited**  
**Income statement for the year ended 30 June 2019**

	<b>Note</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Revenue		<b>8,416</b>	11,872
Cost of sales		<b>(9,985)</b>	(8,864)
Gross (loss)/profit		<b>(1,569)</b>	3,008
Administrative expenses		<b>(690)</b>	(659)
Income from shares in Group undertakings	<b>4</b>	<b>6,150</b>	3,755
Operating profit		<b>3,891</b>	6,104
Interest receivable and similar income	<b>3</b>	<b>3,381</b>	1,386
Interest payable and similar charges	<b>3</b>	<b>(1,600)</b>	(849)
Profit before taxation	<b>4</b>	<b>5,672</b>	6,641
Tax credit/(charge) on profit	<b>5</b>	<b>89</b>	(103)
Profit for the financial year		<b>5,761</b>	6,538

The notes on pages 11 to 25 are an integral part of these financial statements.

All results are derived from continuing operations.

## Galliford Try Investments Limited

### Statement of Comprehensive Income for the year ended 30 June 2019


	2019	2018
	£'000	£'000
<b>Profit for the financial year</b>	<b>5,761</b>	<b>6,538</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movement in fair value of PPP and other investments	1,067	–
<b>Total items that may be reclassified subsequently to profit and loss</b>	<b>1,067</b>	<b>–</b>
<b>Other comprehensive income for the year net of tax</b>	<b>1,067</b>	<b>–</b>
<b>Total comprehensive income for the year</b>	<b>6,828</b>	<b>6,538</b>

**Galliford Try Investments Limited**  
**Balance sheet as at 30 June 2019**

	Note	2019 £'000	2018 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	6	1,126	1,126
Investments in subsidiaries	7	36	36
Trade and other receivables	9	3,834	11,515
Other investments	8	32,530	9,746
<b>Total non-current assets</b>		<b>37,526</b>	<b>22,423</b>
<b>Current assets</b>			
Trade and other receivables	9	12,386	5,118
Corporation tax recoverable	10	160	–
<b>Total current assets</b>		<b>12,546</b>	<b>5,118</b>
<b>Total assets</b>		<b>50,072</b>	<b>27,541</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank borrowings and overdrafts	13	(22,394)	(13,142)
Trade and other payables	11	(5,383)	(2,767)
Corporation tax payable	12	–	(461)
<b>Total current liabilities</b>		<b>(27,777)</b>	<b>(16,370)</b>
<b>Net current liabilities</b>		<b>(15,231)</b>	<b>(11,252)</b>
<b>Non-current liabilities</b>			
Trade and other payables	14	(30)	(30)
<b>Total non-current liabilities</b>		<b>(30)</b>	<b>(30)</b>
<b>Total liabilities</b>		<b>(27,807)</b>	<b>(16,400)</b>
<b>Net assets</b>		<b>22,265</b>	<b>11,141</b>
<b>Equity</b>			
Share capital	15	–	–
Other reserves		5,012	5,012
Profit and loss account		17,253	6,129
<b>Total equity</b>		<b>22,265</b>	<b>11,141</b>

The notes on pages 11 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 25 were approved by the Board of directors on 23/12/19 and signed on its behalf by:



M Baxter  
**Director**  
Registered number: 05047034

**Galliford Try Investments Limited****Statement of changes in equity for the year ended 30 June 2019**

	Share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
As at 01 July 2017	–	5,012	(409)	4,603
Profit for the financial year	–	–	6,538	6,538
As at 30 June 2018	–	5,012	6,129	11,141
Adjustment as a result of transition to IFRS 9 on 1 July 2018 (note 8)	–	–	4,296	4,296
As at 01 July 2018	–	5,012	10,425	15,437
Profit for the financial year	–	–	5,761	5,761
Other comprehensive income	–	–	1,067	1,067
<b>As at 30 June 2019</b>	<b>–</b>	<b>5,012</b>	<b>17,253</b>	<b>22,265</b>

## **Galliford Try Investments Limited**

### **Notes to the financial statements for the year ended 30 June 2019**

#### **1. Accounting policies**

##### **General Information**

Galliford Try Investments Limited ('the Company') is a limited Company incorporated and domiciled in England and Wales (Registered number: 05047034). The address of the registered office is Galliford Try Investments Limited, Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL. Refer to note 19 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 under historic cost convention and 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) as applicable to companies reporting under FRS 101. 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 19 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 and with key management personnel.
- 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.

The accounting policies have been applied consistently, other than where new policies have been adopted. New amendments to standards that became mandatory for the first time for the financial year beginning 1 July 2018 are listed below. The new amendments had no significant impact on the Company's results other than certain revised disclosures.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from contracts with customers
- Amendments to IFRS 2 Share-based payments
- Amendments to IFRS 4 Insurance contracts
- Amendments to IAS 40 Investment property
- Annual improvements 2015-2017

## **Galliford Try Investments Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

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

Above new standards and amendments do not have a material effect on the Company except as described below:

- **IFRS 9 - 'Financial instruments'**

IFRS 9 Financial Instruments came into effect for financial years starting on or after 1 January 2018 replacing IAS 39 Financial Instruments: Recognition and measurement. The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Other investments, previously classified as costs are classified as financial assets at fair value through other comprehensive income, with recycling of gains and losses. This is because the business model for these assets is to hold for collecting contractual cash flows (which meet the criteria of solely payments of principal and interest on the principal outstanding) and also to sell the financial asset. This resulted in a fair value uplift in the value of the Company's PPP and other investments of £4.3m which was recognised in equity on adoption of the standard on 1 July 2018. The Company has adopted the IFRS 9 expected credit loss approach to the assessment of financial assets impairment.

The Company also assessed its assets for any expected credit losses and concluded that there is no impairment charge on adoption of the standard on 1 July 2018.

The Company has experienced a low level of default events on its debtors historically and currently has no reason to expect this to change significantly in future; trade debtors are held under standards terms agreed with the customer.

The Company has no reason to expect any impairment or losses on its intercompany balances.

- **IFRS 15 Revenue from contracts with customers**

The Company has adopted the standard from 01 July 2018 using the modified retrospective approach. The Company has reviewed its opening equity position as at 01 July 2018 and concluded that there is no impact as a result of application of this new standard.

The Company has reviewed its accounting policy on revenue to be in line with this new standard and concluded that no change is required as a result of adoption of IFRS 15.

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

- **IFRS 16 Leases**
- **IFRS 17 Insurance Contracts**
- **IFRIC 23 Uncertainty over Income Tax Treatments**
- **Amendments to the following standards:**
  - **IAS 28 Long-term interests in associates and joint ventures**
  - **IAS 1 & IAS 8 Definition of Material**
  - **IAS 19 Plan Amendment, Curtailment or Settlement**
  - **IFRS 3 Business Combinations**
  - **IFRS 9 Prepayment features with negative compensation**
- **Annual improvements 2015-2017**

## **Galliford Try Investments Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

##### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company, Galliford Try plc. The directors have received confirmation that Galliford Try plc intend to support the Company for at least one year after these financial statements are signed.

##### ***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.

Impairment of assets and fair valuation of other investments are the Company's material estimates and assumptions. Related accounting policies are detailed below:

##### **Impairment of goodwill**

The determination of the value of any impairment of goodwill and intangible assets requires an estimation of the value in use of the cash generating units, including the anticipated growth rate of revenue and costs, and requires the determination of a suitable discount rate to calculate the present value of the cash flows. Following a goodwill impairment review and sensitivity analysis, no impairment of goodwill was deemed necessary.

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

These separate financial statements contain information about Galliford Try Investments 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.

##### **Revenue and profit**

Revenue comprises the value of fee income and management fees earned by the Company during the year in the ordinary course of business. PFI success fee income receivable on contract award is recognised in the income statement in the period in which it is earned. Any profit on disposal of PFI assets are also recognised in the income statement. Management fees are earned from the Company's role in managing its joint venture investments. Management fees and interest are recognised as earned.

## **Galliford Try Investments Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

##### **Revenue and profit (continued)**

Revenue is recognised when the Company transfers control of goods or services to customers. Revenue comprises the fair value of the consideration received, or receivable net of rebates, discounts and value added tax. The Company's revenue relates to one class of business and is all generated in the UK. Where the consideration is subject to variability, the Company estimates the amount receivable. Revenue recognised is constrained to the amount which is highly probable not to result in a significant reversal in future periods.

##### **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.

##### **Goodwill**

Goodwill represents the excess of the fair value of the consideration given over the fair value of the net assets acquired. It is recognised as an asset and reviewed for impairment at least annually or when there is a triggering event, by considering the net present value of future cash flows. For purposes of testing for impairment, the carrying value of goodwill is compared to its recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any impairment is charged immediately to the income statement.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts following impairment tests.



## **Galliford Try Investments Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

##### **Investments in subsidiaries**

Investments are stated at cost plus incidental expenses less any provision for impairment.

##### **Other investments policy prior to 1 July 2018**

Other investments are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months of the balance sheet date. On initial recognition the asset is recognised at costs.

##### **Other investments**

Other investments are a combination of equity and debt. The equity is carried at cost less any accumulated impairment losses applying the exemption of paragraph 17 within IAS 28, Investments in Associates and Joint Ventures. The debt element is accounted for under IFRS 9 "Financial Instruments" with fair value movements recorded in other comprehensive income, with recycling of gains and losses through the income statement under cost of sales.

##### **Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

##### **Trade and other receivables policy prior to 1 July 2018**

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 based on an expected credit loss model. The amount of the loss is recognised in the income statement.

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.

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less loss allowance. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on historical payment profiles, adjusted to reflect the current and forward-looking information.

## **Galliford Try Investments Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

##### **Bank and other borrowings**

Interest bearing bank loans and overdrafts and other loans are originally recognised at fair value net of transaction costs incurred. Such borrowings are subsequently stated at amortised cost with the difference between initial fair value and redemption value recognised in the income statement over the period to redemption.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method.

Re-financing costs associated with new borrowing arrangements are included within the borrowing amount and amortised over the period of the loan.

##### **Trade and other payables**

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, are recorded at their fair value at the date of acquisition of the asset to which they relate and subsequently held at amortised cost.

##### **Retirement benefit obligations**

The Company operates a defined contribution pension scheme. The pension cost charge disclosed in note 2 represents contributions payable by the Company to the fund. Contributions to the defined contribution schemes are determined as a percentage of employees earnings and are charged to the income statement on an accruals basis.

The Company participates in a group operated defined benefit pension scheme for the benefit of certain of its employees, the assets of which are held separately from those of the Company in independently administered funds. As the Company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme.

The Galliford Try plc Group operates three defined benefit pension schemes under the UK regulatory framework that pay out pensions at a retirement based on service and final pay, each with assets held in separate trustee administered funds: the Galliford Try Final Salary Pension Scheme, the Galliford Group Special Scheme and the Kendall Cross (Holdings) Ltd Assurance & Pension Scheme. The Group's principal funded pension scheme is the Galliford Try Final Salary Pension Scheme which was closed to all future service accrual on 31 March 2007.

The financial statements of Galliford Try Services Limited (a fellow subsidiary undertaking) recognises the net defined benefit surplus or deficit for the scheme and contains the relevant disclosures of the defined benefit scheme as required by IAS19 as it is the company actually involved in managing the schemes. It's financial statements are publicly available from Galliford Try plc, Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AL.

# Galliford Try Investments Limited

## Notes to the financial statements for the year ended 30 June 2019 (continued)

### 2. Employees and directors

Employee benefit expense for the Company for the year is:

	2019 £'000	2018 £'000
Wages and salaries	3,990	4,615
Redundancy and termination costs	5	3
Social security costs	523	558
Other pension costs	444	489
	<b>4,962</b>	<b>5,665</b>

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

	2019 Number	2018 Number
By activity:		
Production and sales	42	37
Administration and support	2	2
Management	6	6
<b>Average number of employees during the year</b>	<b>50</b>	<b>45</b>

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

#### Highest paid director

	2019 £'000	2018 £'000
Aggregate emoluments	324	279
Company pension contributions to money purchase schemes	56	57
	<b>380</b>	<b>336</b>

#### Aggregate directors' emoluments

	2019 £'000	2018 £'000
Aggregate emoluments	1,097	1,099
Company pension contributions to money purchase schemes	165	184
<b>Total</b>	<b>1,262</b>	<b>1,283</b>

### 3. Interest payable and similar charges / Interest receivable and similar income

	2019 £'000	2018 £'000
Interest receivable and similar income		
-from subsidiaries	3,381	1,386
<b>Total interest receivable and similar income</b>	<b>3,381</b>	<b>1,386</b>
Interest payable and similar charges		
-to Group undertakings	(1,600)	(849)
<b>Total interest payable and similar charges</b>	<b>(1,600)</b>	<b>(849)</b>
<b>Net finance income</b>	<b>1,781</b>	<b>537</b>

**Galliford Try Investments Limited****Notes to the financial statements for the year ended 30 June 2019 (continued)****4. Profit on ordinary activities before taxation**

The following items have been included in arriving at the profit on ordinary activities before taxation:

	2019 £'000	2018 £'000
Employee benefits expense	4,962	5,665
Other operating lease rentals payable		
- Property	253	258
Repairs and maintenance expenditure on property, plant and equipment	96	52

**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:

	2019 £'000	2018 £'000
Fees payable to the Company's auditors for the audit of the financial statements	8	8

Income from shares in group undertakings of £6,150k relates to dividends received from GT North Tyneside Limited, GT North Hub Investments Limited and GT Leeds LIFT Limited. During the year, the Company sold its subordinated debt investments in KHS DBFM Holdco Limited, Newbattle DBFM Holdco Limited and Hub SW Largs Holdco Limited for total proceeds of £4.9m generating profit on sale of £1m. In the prior year, income from shares in group undertakings of £3,755K relates to dividends received from Galliford Try Investments NEPS Limited.

**5. Tax on profit**

	2019 £'000	2018 £'000
Current tax for the year	89	(233)
Adjustments in respect of prior years:		
Current tax	-	149
Deferred tax	-	(19)
<b>Income tax credit/(expense)</b>	<b>89</b>	<b>(103)</b>

The total income tax credit for the year of £479K (2018: expense £103K) is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation	5,672	6,641
Profit before income tax multiplied by the standard rate in the UK of 19.00% (2018: 19.00%)	(1,078)	(1,262)
Expenses not deductible for tax purposes	(2)	-
Non-taxable income	1,169	1,029
Adjustments in respect of prior years	-	130
<b>Income tax credit/(expense)</b>	<b>89</b>	<b>(103)</b>

## Galliford Try Investments Limited

### Notes to the financial statements for the year ended 30 June 2019 (continued)

#### 5. Tax on profit (continued)

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 were taxed at a rate of 19.00% for the year to 30 June 2019 (2018: 19.00%).

The UK corporation tax rate is due to be reduced to 17% in April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

#### 6. Goodwill

	£'000
Cost	
At 01 July 2018	1,958
At 30 June 2019	1,958
Aggregate impairment	
At 01 July 2018	(832)
At 30 June 2019	(832)
Net book value	
At 30 June 2019	1,126
At 30 June 2018	1,126

The directors are satisfied that there is no impairment.

#### 7. Investments in subsidiaries

	£'000
Cost	
At 01 July 2018	36
At 30 June 2019	36
Aggregate impairment	
At 01 July 2018	–
At 30 June 2019	–
Net book value	
At 30 June 2019	36
At 30 June 2018	36

The carrying value of investments has been reviewed and the directors are satisfied that there is no impairment.

The Company holds 100% of the ordinary £1 shares in its subsidiaries, unless otherwise stated. All the subsidiary companies were incorporated in England and Wales.

# Galliford Try Investments Limited

## Notes to the financial statements for the year ended 30 June 2019 (continued)

### 7. Investments in subsidiaries (continued)

The subsidiary undertakings of the Company are:

Name	Registered office or principal place of business	Proportion of capital held
Galliford Try Investments Consultancy Services Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
Galliford Try Investments NEPS Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
GT (Leeds) LIFT Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
GT (Leicester) Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
	PO Box 17452, 2 Lochside View, Edinburgh	
GT (North Hub) Investments Limited	EH2 1LB	100%
GT (North Tyneside) Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
GT Camberwell (Holdings) Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
GT Camberwell Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
	PO Box 17452, 2 Lochside View, Edinburgh	
GT Inverness Investments Limited	EH2 1LB	100%
	PO Box 17452, 2 Lochside View, Edinburgh	
GT Telford (Holdings) Limited	EH2 1LB	100%
Leicester GT Education Company Limited	Cowley Business Park, Uxbridge UB8 2AL	100%
Regeneco Limited	Cowley Business Park, Uxbridge UB8 2AL	100%

The Company also has interest in the following joint ventures:

Entity name	Registered office or principal place of business	Year end	% shareholding of ordinary shares of £1
ACP: North Hub Limited	PO Box 17452, 2 Lochside View, Edinburgh EH2 1LB	31st December	50%
Community Ventures (Management) Limited	4340 Park Approach, Thorpe Park, Leeds LS15 8GB	30th September	60%
Community Ventures Investments Limited	4340 Park Approach, Thorpe Park, Leeds LS15 8GB	30th September	60%
Community Ventures Partnerships Limited	4340 Park Approach, Thorpe Park, Leeds LS15 8GB	30th September	60%
GT Equitix Inverness Limited	PO Box 17452, 2 Lochside View, Edinburgh EH2 1LB	31st March	50%
GT Equitix Inverness Holdings Limited	PO Box 17452, 2 Lochside View, Edinburgh EH2 1LB	31st March	50%
Space Scotland Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	31st March	83%

# Galliford Try Investments Limited

## Notes to the financial statements for the year ended 30 June 2019 (continued)

### 7. Investments in subsidiaries (continued)

The Company also has the following related undertakings:

Entity name	Registered office or principal place of business	Shareholding (direct or indirect)
Aberdeen Roads (Finance) PLC	Maxim 7, Maxim Office Park, Parklands Avenue, Scotland, ML1 4WQ	33%
Aberdeen Community Health Care Village Limited	11 Thistle Place, Aberdeen, AB10 1UZ	30%
Aberdeen Roads Holdings Limited	Maxim 7, Maxim Office Park, Parklands Avenue, Scotland, ML1 4WQ	33%
Aberdeen Roads Limited	Maxim 7, Maxim Office Park, Parklands Avenue, Scotland, ML1 4WQ	33%
Alliance Community Partnership Limited	Avondale House, Suites 11-10 Phoenix Crescent, Strathclyde Business Park, Willow House, Bellshill, Lanarkshire, ML4 3PB	6%
Durham & Tees Community Ventures Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures Primary Care Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures HoldCo (No. 1) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures FundCo (No. 1) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures HoldCo (No. 2) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures FundCo (No. 2) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures HoldCo (No. 3) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures FundCo (No. 3) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures HoldCo (No. 4) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures FundCo (No. 4) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
Durham & Tees Community Ventures HoldCo (No. 5) Limited	4340 Park Approach, Leeds, LS15 8GB	18%
ELCH DBFM Limited	PO BOX 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
ELCH DBFM HoldCo Limited	PO BOX 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
Hub North Scotland (Alford) Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%
Hub North Scotland (FWT) Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%
Hub North Scotland (I&F) Holding Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%
Hub North Scotland (I&F) Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%
Hub North Scotland (O&C) Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%
Hub North Scotland (O&C) Holdings Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%
Hub North Scotland Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%

# Galliford Try Investments Limited

## Notes to the financial statements for the year ended 30 June 2019 (continued)

### 7. Investments in subsidiaries (continued)

The Company also has the following related undertakings: (continued)

Entity name	Registered office or principal place of business	Shareholding (direct or indirect)
Hub South East Scotland Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB Suite 1A Strathclyde Business Park, Willow House, Bellshill, Lanarkshire ML4 3PB	50%
Hub South West Scotland Limited	PO BOX 17452, 2 Lochside View, Edinburgh, EH12 1LB	6%
James Gillespie's Campus Subhub Holdings Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
James Gillespie's Campus Subhub Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
JICC DBFMCo Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
JICC DBFM Holdco Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
LBP DBFM HoldCo Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
LBP DBFMCo Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
REH Phase 1 Subhub Holdings Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
REH Phase 1 Subhub Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
S4B (Holdings) Limited	Welken House, 10-11 Charterhouse Sq, London EC1M 6EH	8%
S4B (Issuer) plc	Welken House, 10-11 Charterhouse Sq, London EC1M 6EH	8%
S4B Limited	Welken House, 10-11 Charterhouse Sq, London EC1M 6EH	8%
Tees & Durham (LIFT) Investments Limited	4340 Park Approach, Leeds, LS15 8GB	18%
WCHS DBFM Subhub Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	60%
QHS DBFM Holdco Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
QHS DBFMCo Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	50%
Hub North Scotland (Inverurie Campus) Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%
Hub North Scotland (Inverurie Campus) Holdings Limited	P.O. Box 17452, 2 Lochside View, Edinburgh, EH12 1LB	30%



**Galliford Try Investments Limited****Notes to the financial statements for the year ended 30 June 2019 (continued)****8. Other investments**

	<b>£'000</b>
At 1 July 2017	6,772
Additions	6,027
Subordinated debt repayment	(35)
Disposals	(3,018)
At 30 June 2018	9,746
Effect of change in accounting policy	4,296
Restated at 1 July 2018	14,042
Additions	21,219
Subordinated debt repayment	(76)
Disposals	(3,722)
Net movement in fair value	1,067
<b>At 30 June 2019</b>	<b>32,530</b>

These investments relate to PPP/PFI investments.

Of the total investment of £32.5m, £0.1m relates to equity and £32.4m consists of subordinated debt. During the year, additional subordinated loans of £21m were made to various PPP/PFI investments and the Company received subordinated debt repayments of £0.076m (2018: £0.035m). The Company disposed of investments with a book value of £3.7m (2018: £3.0m) for sale proceeds of £4.9m generating profit on sale of £1m. The Directors believe that the carrying amount of these investments are supported by their underlying cash flows.

**9. Trade and other receivables**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Amounts falling due within one year:		
Trade receivables	131	151
Amounts owed by Group undertakings	10,700	4,491
Other debtors	1	1
Prepayments and accrued income	1,554	475
	<b>12,386</b>	<b>5,118</b>

Amounts owed by Group undertakings do not bear interest, have no fixed date of repayment and are repayable on demand. Prepayments and accrued income include £nil (2018: £nil) accrued income. There was no contract asset or accrued income as at 30 June 2019.

Trade and other receivables do not contain any assets that are past due or impaired (2018: £nil).

	<b>2019 £'000</b>	<b>2018 £'000</b>
Amounts falling due in more than one year:		
Amounts owed by group undertakings	3,834	11,515
	<b>3,834</b>	<b>11,515</b>

**Galliford Try Investments Limited****Notes to the financial statements for the year ended 30 June 2019 (continued)****10. Corporation tax recoverable**

	2019 £'000	2018 £'000
Corporation tax recoverable	160	–

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.

**11. Trade and other payables**

	2019 £'000	2018 £'000
Trade payables	99	165
Amounts owed to Group undertakings	2,860	770
Other taxation and social security, payable	216	54
Other creditors	92	92
Accrued liabilities and deferred income	2116	1,686
	<b>5,383</b>	<b>2,767</b>

Amounts owed to fellow group undertakings are non-interest bearing, unsecured and repayable on demand. Accrued liabilities and deferred income include £nil (2018: £nil) deferred income. There was no contract liability or deferred income as at 30 June 2019.

**12. Corporation tax payable**

	2019 £'000	2018 £'000
Corporation tax payable	–	461

**13. Bank borrowings and overdrafts**

	2019 £'000	2018 £'000
Current		
Bank borrowings and overdrafts	22,394	13,142

The bank overdrafts currently incur interest at 2.0% - 2.3% (2018: 2.0% - 2.3%) over LIBOR.

**14. Other non-current liabilities**

	2019 £'000	2018 £'000
Accrued liabilities	30	30
	<b>30</b>	<b>30</b>

**15. Share capital**

	Number of shares	Share capital £'000
Allotted and fully paid ordinary shares of £1		
At 01 July 2018	2	–
At 30 June 2019	2	–

## Galliford Try Investments Limited

### Notes to the financial statements for the year ended 30 June 2019 (continued)

#### 16. Financial commitments

The Company has entered into non-cancellable contracts for the operational leasing of land and buildings and plant and machinery. The leases have various terms, escalation clauses and renewal rights. The maximum commitments for payments under these contracts are as follows:

The maximum commitments for payments under these contracts are as follows:

	Property 2019 £'000	Vehicles, plant and equipment 2019 £'000	Property 2018 £'000	Vehicles, plant and equipment 2018 £'000
Amounts due:				
Within one year	190	1	253	1
Later than one year and less than five years	735	4	741	4
After five years	551	–	735	–
	1,476	5	1,729	5

Galliford Try plc, together with certain of its subsidiaries, has entered into arrangements with HSBC Bank plc, National Westminster Bank plc, Santander UK plc and Barclays Bank plc to guarantee the borrowings of Group companies.

#### 17. 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 £239.2m (2018: £381.3m).

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.

#### 18. Post balance sheet events

Following the announcement in September 2019, the ultimate parent company, Galliford Try plc entered into an agreement with Bovis Homes Group plc for the sale of its housebuilding businesses, Linden Homes and Partnerships & Regeneration. As a result of this transaction the ultimate parent undertaking and controlling party will become Galliford Try Holdings plc. No other matters have arisen since the year end that requires disclosure in the financial statements.

#### 19. 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. This is the only company into which the Company's results are consolidated. Copies of the consolidated group financial statements of Galliford Try plc are publicly available from Galliford Try plc, Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL.