

Deloitte GES ERDC Limited

Report and Financial Statements

Year ended

31 December 2018

Company Number 10444675 (registered in England and Wales)

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Deloitte GES ERDC Limited

Report and financial statements for the year ended 31 December 2018

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Directors

Bunting, Glyn
De Boer, Manon Jacqueline
Krohn, Marcus
Mariuk, Adam Marcin
Melady, Christina Badum
Sperre, Stig Arild
Verberckt, Geert

Registered office

Hill House, 1 Little New Street, London, EC4A 3TR

Company number

10444675 (registered in England and Wales)

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Deloitte GES ERDC Limited

Directors' report for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Results and dividends

The consolidated income statement is set out on page 6 and shows profit after tax for the year, which amounted to EUR 295,929 (2017: EUR 129,004).

The directors do not recommend the payment of a dividend (2017: the directors do not recommend the payment of a dividend).

Principal activities and future developments

The company is a strategic initiative of several investing Deloitte member firms to deliver expatriate tax support services to its Deloitte user member firms. The key financial performance indicator is service fee revenue. The company has benefitted from strong demand for its services by Deloitte user member firms and the Board is committed to continued successful growth.

Financial risk management objectives and policies

Deloitte GES ERDC Limited is exposed to a very limited number of financial risks including credit risk and cash flow risk.

Cash flow

Deloitte GES ERDC Limited's cash flow derives from revenues from the delivery of services to Deloitte user member firms. Cash outflows are aligned to demand for the company's services in a prudent manner. Deloitte GES ERDC Limited conducts its business primarily in Euros. Accordingly it has limited foreign currency exchange risks. The company incurs certain expenses in US dollars on one supplier contract and uses exchange forward contracts to hedge the majority of this exposure.

Credit risk

Deloitte GES ERDC Limited's principal financial assets are cash and debtors from Deloitte user member firms. Deloitte GES ERDC Limited has no significant concentration of credit risk. The Company adopts procedures to ensure timely collection of outstanding receivables and monitors receivables on a continuous basis.

Directors

The directors of the company during the period and to the date of this report were:

Bunting, Glyn
De Boer, Manon Jacqueline
Krohn, Marcus
Mariuk, Adam Marcin
Melady, Christina Badum
Sperre, Stig Arild
Verberckt, Geert

Deloitte GES ERDC Limited

Directors' report for the year ended 31 December 2018 (continued)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this directors' report and these financial statements, advantage has been taken of the provisions available under the small companies regime.

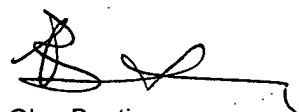
Brexit

On 23 June 2016, a referendum in the United Kingdom returned a result in favour of leaving the European Union (commonly referred to as 'Brexit'). Notification under Article 50 of the Lisbon Treaty, which triggered the UK's withdrawal within two years, was given on 29 March 2017, although the UK's exit date has subsequently been extended beyond the original two years to 31 October 2019. The longer term political and economic effects of the referendum result remain unclear at the date of these financial statements. The Company's Board is monitoring developments in relation to Brexit and will continue to evaluate the impact of Brexit on the business.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

Approved and signed on behalf of the board



Glyn Bunting
Director

Date 2/8/19

Deloitte GES ERDC Limited

Independent auditor's report for the year ended 31 December 2018

We have audited the financial statements of Deloitte GES ERDC Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2018 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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 Group or Parent 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Deloitte GES ERDC Limited

Independent auditor's report for the year ended 31 December 2018 (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Deloitte GES ERDC Limited

Independent auditor's report for the year ended 31 December 2018 (*continued*)

Use of our report

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

BDO LLP

Andrew Radford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

9/8/19

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Deloitte GES ERDC Limited

Consolidated income statement for the year ended 31 December 2018

		2018	Period from 26 October 2016 to 31 December 2017
	Note	EUR	EUR
Turnover	3	10,076,699	5,096,322
Operating expenses		<u>(9,717,224)</u>	<u>(4,924,888)</u>
Operating profit	5	<u>359,475</u>	<u>171,434</u>
Interest paid		<u>(5,650)</u>	<u>(4,671)</u>
Operating profit before taxation		353,825	166,763
Taxation	6	(57,896)	(37,759)
Profit for the financial year		<u>295,929</u>	<u>129,004</u>

All amounts relate to continuing activities.

The notes on pages 14 to 24 form part of these financial statements.

Deloitte GES ERDC Limited

Consolidated statement of comprehensive income for the year ended 31 December 2018

	2018 EUR	Period from 26 October 2016 to 31 December 2017 EUR
Profit for the financial year	295,929	129,004
Currency translation differences	<u>(6,708)</u>	<u>(6,658)</u>
Other comprehensive loss for the year	<u>(6,708)</u>	<u>(6,658)</u>
Total comprehensive income for the year	<u>289,221</u>	<u>122,346</u>

The notes on pages 14 to 24 form part of these financial statements.

Deloitte GES ERDC Limited

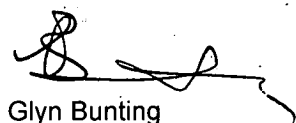
Consolidated statement of financial position at 31 December 2018

Company number 10444675	Note	2018 EUR	2018 EUR	*Restated 2017 EUR	*Restated 2017 EUR
Fixed assets					
Tangible assets	7		435,834		114,773
			<u>435,834</u>		<u>114,773</u>
Current assets					
Debtors	9	4,083,137		3,384,671	
Cash at bank and in hand		2,482,883		1,470,934	
		<u>6,566,020</u>		<u>4,855,605</u>	
Creditors: amounts falling due within one year	10	<u>(4,384,211)</u>		<u>(2,848,846)</u>	
Net current assets			2,181,809		2,006,759
Total assets less current liabilities			<u>2,617,643</u>		<u>2,121,532</u>
Net assets			<u>2,617,643</u>		<u>2,121,532</u>
Capital and reserves					
Share capital	11		100		100
Share premium	11		399,900		399,900
Capital contribution reserve			1,806,076		1,599,186
Profit and loss account			411,567		122,346
Shareholders' funds			<u>2,617,643</u>		<u>2,121,532</u>

*The comparative information relating to share premium and the capital contribution reserve has been restated to reflect a capital contribution made in the prior period. See Note 17.

The financial statements have been prepared in accordance with the provisions available to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 2/8/19



Glyn Bunting
Director

Date 2/8/19

The notes on pages 14 to 24 form part of these financial statements.

Deloitte GES ERDC Limited

Company statement of financial position at 31 December 2018

Company number 10444675	Note	2018 EUR	2018 EUR	*Restated 2017 EUR	*Restated 2017 EUR
Fixed assets					
Tangible assets	7		32,377		67,698
Investments	8		437,497		200,285
			<u>469,874</u>		<u>267,983</u>
Current assets					
Debtors	9	4,258,195		3,383,674	
Cash at bank and in hand		1,996,413		1,402,843	
		<u>6,254,608</u>		<u>4,786,517</u>	
Creditors: amounts falling due within one year	10	(4,240,217)		(2,948,694)	
		<u></u>		<u></u>	
Net current assets			<u>2,014,391</u>		<u>1,837,823</u>
Total assets less current liabilities			<u>2,484,265</u>		<u>2,105,806</u>
Net assets			<u>2,484,265</u>		<u>2,105,806</u>
Capital and reserves					
Share capital	11		100		100
Share premium	11		399,900		399,900
Capital contribution reserve			1,806,076		1,599,186
Profit and loss account			278,189		106,620
			<u>2,484,265</u>		<u>2,105,806</u>
Shareholders' funds			<u>2,484,265</u>		<u>2,105,806</u>

*The comparative information relating to share premium and the capital contribution reserve has been restated to reflect a capital contribution made in the prior period. See Note 17.

The financial statements have been prepared in accordance with the provisions available to companies subject to the small companies' regime.

The profit in the individual company's income statement for the period was EUR 171,569 (2017: EUR 106,620). The financial statements were approved by the Board of Directors and authorised for issue on 2/8/19

Glyn Bunting

Director

Date

2/8/19

The notes on pages 14 to 24 form part of these financial statements.

Deloitte GES ERDC Limited

Consolidated statement of changes in equity for the period ended 31 December 2017

	Share capital EUR	*Restated Share premium EUR	*Restated Capital contribution reserve EUR	Profit and loss account EUR	Total EUR
Balance at 26 October 2016	-	-	-	-	-
Comprehensive income for the period					
Profit for the period	-	-	-	129,004	129,004
Currency translation differences	-	-	-	(6,658)	(6,658)
Other comprehensive loss for the period	-	-	-	(6,658)	(6,658)
Total comprehensive income for the period	-	-	-	122,346	122,346
Contributions by and distributions to owners					
Issue of share capital	100	399,900	-	-	400,000
Capital contribution	-	-	1,599,186	-	1,599,186
Total contributions by and distributions to owners	100	399,900	1,599,186	-	1,999,186
Balance at 31 December 2017	100	399,900	1,599,186	122,346	2,121,532

**The comparative information relating to share premium and the capital contribution reserve has been restated to reflect a capital contribution made in the prior period. See Note 17.*

Deloitte GES ERDC Limited

Consolidated statement of changes in equity for the year ended 31 December 2018

	Share capital EUR	Share premium EUR	Capital contribution reserve EUR	Profit and loss account EUR	Total EUR
Balance at 31 December 2017	100	399,900	1,599,186	122,346	2,121,532
Comprehensive income for the year					
Profit for the year	-	-	-	295,929	295,929
Currency translation differences	-	-	-	(6,708)	(6,708)
Other comprehensive loss for the year	-	-	-	(6,708)	(6,708)
Total comprehensive income for the year	-	-	-	289,221	289,221
Contributions by and distributions to owners					
Capital contribution	-	-	206,890	-	206,890
Total contributions by and distributions to owners	-	-	206,890	-	206,890
Balance at 31 December 2018	100	399,900	1,806,076	411,567	2,617,643

The notes on pages 14 to 24 form part of these financial statements.

Deloitte GES ERDC Limited

Company statement of changes in equity for the period ended 31 December 2017

	Share capital EUR	*Restated Share premium EUR	*Restated Capital contribution reserve EUR	Profit and loss account EUR	Total EUR
Balance at 26 October 2016	-	-	-	-	-
Comprehensive income for the period					
Profit for the period	-	-	-	106,620	106,620
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	106,620	106,620
Contributions by and distributions to owners					
Issue of share capital	100	399,900	-	-	400,000
Capital contribution	-	-	1,599,186	-	1,599,186
Total contributions by and distributions to owners	100	399,900	1,599,186	-	1,999,186
Balance at 31 December 2017	100	399,900	1,599,186	106,620	2,105,806

**The comparative information relating to share premium and the capital contribution reserve has been restated to reflect a capital contribution made in the prior period. See Note 17.*

Deloitte GES ERDC Limited

Company statement of changes in equity for the year ended 31 December 2018

	Share capital EUR	Share premium EUR	Capital contribution reserve EUR	Profit and loss account EUR	Total EUR
Balance at 31 December 2017	100	399,900	1,599,186	106,620	2,105,806
Comprehensive income for the year					
Profit for the year	-	-	-	171,569	171,569
Other comprehensive loss for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	171,569	171,569
Contributions by and distributions to owners					
Capital contribution	-	-	206,890	-	206,890
Total contributions by and distributions to owners	-	-	206,890	-	206,890
Balance at 31 December 2018	100	399,900	1,806,076	278,189	2,484,265

The notes on pages 14 to 24 form part of these financial statements.

Deloitte GES ERDC Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Deloitte GES ERDC Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the directors' report.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102') *Section 1A Small Entities*, and with the Companies Act. The financial statements have been prepared on the historical cost basis.

Disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102 *Section 1A Small Entities*:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Furthermore, exemption has been taken from the requirement to prepare a cash flow statement in accordance with the exemptions available to small companies under FRS 102 paragraph 7.1B.

Basis of consolidation

The consolidated financial statements present the results of Deloitte GES ERDC Limited and its subsidiary, Deloitte GES Support Services SRL, as if they formed a single entity.

Deloitte GES ERDC Limited has controlled the subsidiary since its inception on the basis that it has full financial control over the operational activities of the subsidiary. The assets, liabilities, income and expenditure of the subsidiary are thus consolidated into the financial statements of Deloitte GES ERDC Limited.

Intercompany transactions and balances between group companies are therefore eliminated in full.

Turnover

Turnover in the accounts represents revenue earned on the basis of underlying agreements between the group and its external clients, net of sales taxes and discounts. Where the right to revenue is earned but has not yet been billed, an adjustment is made for the value of these services as accrued income in the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is systematically allocated to the following classes of tangible fixed asset to spread the cost of the asset over its useful economic life in the proportions indicated:

- Computer equipment and software: 3 years
- Leasehold improvements: Over the term of the lease
- Furniture and fittings: 10 years

Deloitte GES ERDC Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment. Impairment indicators are reviewed by management when evidence arises to suggest that the investment in the subsidiary may be impaired.

Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which for these financial statements is considered to be the euro (EUR). The consolidated financial statements are also presented in EUR, which is the company's functional and the group's presentation currency.

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation of foreign operations

On consolidation, the results of overseas operations are translated into EUR at an average rate for the period being consolidated, which management believe to be a materially suitable approximation to the rates prevailing at the dates of the individual income statement transactions. All monetary assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Historical transactions such as the issue of share capital, are translated and remain at the rate prevailing at the date of that transaction.

Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Deloitte GES ERDC Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

2 Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the group's and company's accounting policies, which are described above, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the period that may not be readily apparent from other sources. The estimates and associated assumptions are based on group management experience in similar practices and other factors that are considered to be relevant. 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 the revision and future periods if the revision affects both current and future periods.

In the opinion of management, there are no critical judgments that would be expected to impact materially on these financial statements.

Estimation of accrued costs for future bonuses

The estimation of accrued costs for future bonuses is subject to inherent uncertainty and is based upon management's calculation of the expected final outturn of the bonus payment when this is settled.

The settlement of the liability is on a different basis to that of the financial year end and as such, movements in employee numbers, changes to performance and other factors can affect the valuation of the accrued cost.

Estimation of recoverability of accrued revenue

The accrued revenue in the financial statements is estimated based on management's best estimate of the amount that is likely to be recovered on those engagements being worked. The accrued revenue is on a time and materials basis and could be subject to material estimation uncertainty in the event that there is a dispute over the value of any of this time.

3 Turnover

Revenue from the rendering of services is recognised by reference to the amount of work completed at agreed rates with the client, and accrued to the extent this has not already been billed.

4 Directors and employees

	Group 2018 EUR	Company 2018 EUR	Group Period from 26 October 2016 to 31 December 2017 EUR	Company Period from 26 October 2016 to 31 December 2017 EUR
Staff costs during the period were as follows:				
Wages and salaries	1,317,114	-	467,741	-
Social security	33,562	-	91,115	-
	<u>1,350,676</u>	<u>-</u>	<u>558,856</u>	<u>-</u>

Deloitte GES ERDC Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

4 Directors and employees (continued)

The average number of employees during the period was:	Group 2018 Number	Company 2018 Number	Group Period from 26 October 2016 to 31 December 2017 Number	Company Period from 26 October 2016 to 31 December 2017 Number
Rendering services	83	-	35	-
Administrative staff	1	-	1	-
	<u>84</u>	<u>-</u>	<u>36</u>	<u>-</u>

The directors of Deloitte GES ERDC Limited are remunerated by their respective Deloitte Touche Tōhmatsu Limited member firms and accordingly no disclosure of their remuneration is made in these financial statements.

5 Operating profit

	2018 EUR	Period from 26 October 2016 to 31 December 2017 EUR
This is arrived at after charging/(crediting):		
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	14,150	15,900
Fees payable to the company's auditor and its associates for the audit of the company's subsidiaries pursuant to legislation	4,500	4,500
Exchange (gain)	(19,880)	(39,950)
Depreciation on owned assets	88,877	28,989
Rental costs under operating leases	200,664	93,331

6 Taxation

	2018 EUR	Period from 26 October 2016 to 31 December 2017 EUR
<i>UK corporation tax</i>		
Current tax on profits of the period	20,468	21,985
<i>Foreign tax</i>		
Current tax on foreign income for the period	37,428	15,774
Total current tax	57,896	37,759
Taxation on profit on ordinary activities	57,896	37,759

Deloitte GES ERDC Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

6 Taxation (continued)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK applied to the profit before tax. The differences are explained below:

	2018 EUR	Period from 26 October 2016 to 31 December 2017 EUR
Profit on ordinary activities before tax,	353,825	166,763
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017: 19%)	67,227	31,685
Effects of:		
Short term timing difference	(20,904)	-
Non-deductible expenditure	11,573	6,074
Total tax charge for period	57,896	37,759

7 Tangible fixed assets

Group	Leasehold improvements EUR	Computer equipment and software EUR	Furniture and fittings EUR	Total EUR
Cost or valuation				
At 31 December 2017	-	143,762	-	143,762
Additions	161,028	19,976	228,934	409,938
At 31 December 2018	161,028	163,738	228,934	553,700
Depreciation				
At 31 December 2017	-	28,989	-	28,989
Charge for the year	12,907	59,079	16,891	88,877
At 31 December 2018	12,907	88,068	16,891	117,866
Net book value				
At 31 December 2018	148,121	75,670	212,043	435,834
At 31 December 2017	-	114,773	-	114,773

Deloitte GES ERDC Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

7 Tangible fixed assets (continued)

Company	Computer equipment and software EUR	Total EUR
<i>Cost or valuation</i>		
At 31 December 2017	88,302	88,302
At 31 December 2018	88,302	88,302
<i>Depreciation</i>		
At 31 December 2017	20,604	20,604
Charge for the period	35,321	35,321
At 31 December 2018	55,925	55,925
<i>Net book value</i>		
At 31 December 2018	32,377	32,377
At 31 December 2017	67,698	67,698

8 Fixed asset investments

Company

	Total EUR
<i>Cost</i>	
At 31 December 2017	200,285
Additions	237,212
At 31 December 2018	437,497

Subsidiary undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Deloitte GES Support Services SRL	Romania	100%	Outsourcing of expatriate tax services

Deloitte GES Support Services SRL's registered office is at 4-8 Nicolae Titulescu Street, 6th Floor, Room 4, District 1, Bucharest, Romania.

Deloitte GES ERDC Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

9 Debtors

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Trade debtors	2,847,407	2,841,375	2,299,821	2,299,239
Accrued income	825,003	825,003	990,969	990,969
Prepayments	26,217	8,763	9,078	8,663
Other debtors	50,112	50,112	50,112	50,112
Social security	205,586	-	-	-
Amounts due from subsidiary undertakings	-	404,130	-	-
Financial asset at fair value	128,812	128,812	34,691	34,691
	<u>4,083,137</u>	<u>4,258,195</u>	<u>3,384,671</u>	<u>3,383,674</u>

10 Creditors

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Trade creditors	1,097,560	1,071,679	724,966	538,959
Accruals and deferred income	2,910,738	2,322,618	1,866,349	2,038,548
Social security and other taxes	325,672	263,418	219,772	232,348
Amounts due to subsidiary undertakings	-	559,502	-	116,854
Corporation tax	50,241	23,000	37,759	21,985
	<u>4,384,211</u>	<u>4,240,217</u>	<u>2,848,846</u>	<u>2,948,694</u>

11 Share capital

Group and company	2018 EUR	2017 EUR
Allotted, called up and fully paid	100	100

During the period ended 31 December 2017, 100 shares of par value EUR 1.00 each were issued at a price of EUR 4,000 each. No further shares have been issued in the year ended 31 December 2018.

Deloitte GES ERDC Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

12 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 2018 EUR	Group 2017 EUR
Financial assets		
Financial assets that are debt instruments measured at amortised cost	6,205,405	4,811,836
Financial assets held at fair value through profit and loss	128,812	34,691
Financial liabilities		
Financial liabilities measured at amortised cost	4,008,298	2,591,315

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, accrued income and other debtors.

Financial assets held at fair value through profit and loss include forward exchange rate contracts. These are not designated hedges in accordance with section 12 of FRS 102.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

Information regarding the group's exposure to and management of credit risk and cash flow interest rate risk is included in the Directors' report.

13 Operating lease commitments

As at the year-end the Group was committed to the following operating lease payments on non-cancellable operating lease arrangements:

	Group 2018 EUR	Group 2017 EUR
Payments for land and buildings due within:		
Less than one year	200,664	30,250
More than one year but less than five years	802,656	726,000
More than five years	234,108	393,250
	1,237,428	1,149,500

Deloitte GES ERDC Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

14 Contingencies and commitments

During the year, the company committed to forward exchange rate contracts to hedge its exposure to invoices payable to a supplier in US dollars (\$). By committing to buy \$ in a fixed forward rate, the company will minimise the impact of currency losses incurred on its functional currency of euros.

As of 31 December 2018, the unutilised value of these contracts was \$4,900,000 covering 9 contracts that will be crystallised over a period of 02 January 2019 to 05 July 2019.

The mark to market valuation of these contracts at 31 December 2018 has been measured to be a gain of €128,812. A financial asset in respect of these has been recognised in the financial statements (see note 9). The gain on the contracts experienced as at 31 December 2018 has been recognised within net foreign losses within administrative expenses (see note 5).

15 Related party transactions

The company is owned by a number of entities within the Deloitte Touche Tohmatsu Limited ('DTTL') network, having been established for the purposes of supporting them with outsourced expatriate tax services.

The management of the entity is such that decisions are jointly controlled by all of the investing parties and therefore all are considered to be related parties to the business.

The related parties during the year and transactions with such parties are given along with a summary of the transactions undertaken with each party in the year as follows (note all transactions are recorded net of VAT and that there were no write offs or provisions for write off recorded in the year).

	2018 Revenue charged to the related party by the company EUR	2018 Trade debtors outstanding from related party EUR	2018 Revenue to be billed to related party post-year end EUR	2018 Services procured from the related party EUR	2018 Balance due to the related party EUR
Deloitte Central Europe Holdings Limited	-	-	-	131,517	9,004
Deloitte LLP	5,201,113	1,600,507	481,694	342,488	18,500
Deloitte Belastingadvise urs B.V.	1,534,104	195,824	94,596	-	-
Deloitte Belgium CVBA	756,678	141,481	46,162	-	-
Deloitte Nordic Holdings APS	74,693	17,764	8,868	-	-
Deloitte GMBH Wirtschaftspru fungsgesellschaft	1,566,328	303,634	118,161	-	-

Deloitte GES ERDC Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

15 Related party transactions (continued)

	2017 Revenue charged to the related party by the company EUR	2017 Trade debtors outstanding from related party EUR	2017 Revenue to be billed to related party post-year end EUR	2017 Services procured from the related party EUR	2017 Balance due to the related party EUR
Deloitte Central Europe Holdings Limited	-	-	-	104,387	-
Deloitte LLP	2,255,473	1,195,670	556,813	161,112	161,112
Deloitte Belastingadvise urs B.V.	775,568	259,277	97,406	-	-
Deloitte Belgium CVBA	274,659	61,345	120,310	-	-
Deloitte S.A.S.	211,164	201,316	87,633	-	-
Deloitte Nordic Holdings APS	224,912	146,300	22,891	-	-
Deloitte GMBH Wirtschaftsprufu ngsgesellschaft	630,343	102,051	93,182	-	-

Key management personnel of the firm are remunerated by other entities within the DTTL network.

16 Controlling and ultimate controlling party

In the opinion of management there is no ultimate or controlling party to the company.

17 Adjustments to comparative information

Part of the prior year investment has incorrectly been presented under share premium and should have been treated as a capital contribution reserve. The following disclosures have been retrospectively adjusted.

The table below summarises the impact of the adjustment.

Deloitte GES ERDC Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

17 Adjustments to comparative information (continued)

Consolidated statement of changes in equity

	Share capital EUR	Share premium EUR	Capital contribution reserve EUR	Profit and loss account EUR	Total EUR
As previously reported at 31 December 2017	100	1,999,086	-	122,346	2,121,532
Adjustment	-	(1,599,186)	1,599,186	-	-
As adjusted at 31 December 2017	100	399,900	1,599,186	122,346	2,121,532

Company statement of changes in equity

	Share capital EUR	Share premium EUR	Capital contribution reserve EUR	Profit and loss account EUR	Total EUR
As previously reported at 31 December 2017	100	1,999,086	-	106,620	2,105,806
Adjustment	-	(1,599,186)	1,599,186	-	-
As adjusted at 31 December 2017	100	399,900	1,599,186	106,620	2,105,806