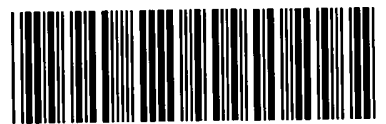


BH GEOENVIRONMENTAL LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

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BH GEOENVIRONMENTAL LIMITED

REPORT AND FINANCIAL STATEMENTS

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BH GEOENVIRONMENTAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR	A J Harbinson
COMPANY SECRETARY	D Conway
COMPANY NUMBER	01458850
REGISTERED OFFICE	Camden Mill Lower Bristol Road Bath Somerset BA2 3DQ
AUDITOR	RSM UK Audit LLP Chartered Accountants Hartwell House 55 – 61 Victoria Street Bristol BS1 6AD

BH GEOENVIRONMENTAL LIMITED

DIRECTOR'S REPORT

Year ended 30 April 2017

The director presents the report and the financial statements for the year ended 30 April 2017.

PRINCIPAL ACTIVITY

The principal activity of the company is that of consulting engineers providing professional design and advisory services to the property and construction sectors.

REVIEW OF BUSINESS

The company has experienced a decline in performance during the year, leading to a reported loss before taxation of £15,000 (2016: profit £6,000).

KEY PERFORMANCE INDICATORS

The company's key performance indicator is the effectiveness of profit margin. The profit margin has reduced from 13.5% in 2016, with a loss being reported in the current financial year. Performance is expected to improve in the new financial year.

PRINCIPAL RISKS AND UNCERTAINTIES AND MATTERS OF STRATEGIC IMPORTANCE

Competition – We exist in a competitive market with a high risk of commoditisation. Our continual investment in technology, thought leadership and our appetite for challenging projects allows the company to retain its competitive advantage. Our agility allows us to rapidly move work and people globally to support these ambitions.

Litigation – The risk of litigation arising from failure or negligence in the acceptance, contracting for or performance of client work is mitigated through established policies on contract acceptance, rigorous technical and commercial review, training and a suitable level of PI insurance.

DIRECTOR

The director who served during the year, and up to the date of this report, was:

A J Harbinson

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of the director of the company.

BH GEOENVIRONMENTAL LIMITED

DIRECTOR'S REPORT (continued) Year ended 30 April 2017

RESULTS AND DIVIDENDS FOR THE YEAR

The loss for the year, after taxation, amounted to £15,000 (2016: profit £5,000). The director does not recommend payment of a final dividend (2016: £nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is exposed to a number of financial risks including credit risk and management of working capital.

Credit risk – The risk of clients being unable to pay for work performed by the company has the potential to impact the performance of the company. The risk is mitigated via appropriate credit checks being made on potential clients before work commences on projects, securing advance payments and the use of project insurance.

Management of working capital – The majority of the company's costs are paid before fees are settled by clients. There is an ongoing drive across the company to raise invoices quickly to speed up receipts. In addition the company maintains close working relationships with clients and seeks advance payments on contracts where possible.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 director is 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. He is 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.

BH GEOENVIRONMENTAL LIMITED

DIRECTOR'S REPORT (continued) **Year ended 30 April 2017**

PROVISION OF INFORMATION TO THE AUDITOR

The director, at the time when this Director's Report is approved, has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board on 10 August 2017 and signed on its behalf.



A J Harbinson
Director

BH GEOENVIRONMENTAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BH GEOENVIRONMENTAL LIMITED

OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

OPINION ON OTHER MATTER PRESCRIBED BY COMPANIES ACT 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Director's 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's report.

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

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

BH GEOENVIRONMENTAL LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BH GEOENVIRONMENTAL LIMITED
(continued)**

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the company's member, 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 company's member 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 company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Charles Fray (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55 – 61 Victoria Street
Bristol
BS1 6AD

Date: *4 September 2017*

BH GEOENVIRONMENTAL LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS**
Year ended 30 April 2017

	Note	2017 £'000	2016 £'000
TURNOVER	1,3	4	37
Cost of sales		(19)	(31)
(LOSS)/PROFIT BEFORE TAXATION	4	(15)	6
Tax on (loss)/profit	5	-	(1)
(LOSS)/PROFIT AFTER TAXATION		(15)	5
Retained earnings at 1 May		286	281
RETAINED EARNINGS AT 30 APRIL		271	286

All amounts relate to continuing operations.

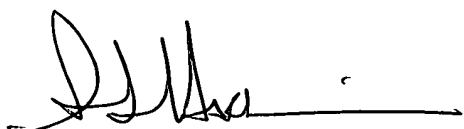
There are no recognised gains or losses for the current or prior financial year other than as stated in the statement of income and retained earnings. Accordingly, no statement of comprehensive income is presented.

The notes on pages 9 to 13 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
At 30 April 2017

	Note	2017 £'000	2016 £'000
CURRENT ASSETS			
Debtors due within one year	6	284	287
CREDITORS: Amounts falling due within one year	7	(12)	-
NET ASSETS		272	287
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account		271	286
TOTAL EQUITY		272	287

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements on pages 7 to 13 were approved and authorised for issue by the board and were signed on its behalf on 10 August 2017.



A J Harbinson
Director

The notes on pages 9 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2017

1. ACCOUNTING POLICIES

1.1 General information

BH Geoenvironmental Limited is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The address of the company's registered office is given on page 1. The company's principal activities and nature of operations are set out in the Director's Report on page 2.

1.2 Basis of preparation of financial statements

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

Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts and net gains/losses for each category of financial instrument; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going concern

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting continues to be adopted in preparing the annual financial statements.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

1.3 Turnover

Turnover represents the fair value of amounts received or receivable for the sale of services to external customers in the ordinary nature of the business. Turnover is shown net of value added tax.

Turnover from contracts for the provision of professional design and advisory services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and sub contract costs, as a proportion of total costs. There is no minimum stage of completion which must be reached before profit can be recognised. However, where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2017

1. ACCOUNTING POLICIES

1.3 Turnover (continued)

Turnover also includes appropriate amounts in respect of long-term work in progress as described in the long term contracts policy below, to the extent that the outcome of these contracts can be assessed with reasonable certainty.

1.4 Long-term contracts and revenue recognition

Revenue is recognised in line with the completion of projects. The percentage completion is determined using the cost approach. Costs incurred to date are compared to the total project cost to completion, with revenue recognised accordingly. Profit is only recognised to the extent that the total project is assessed to be profitable. Provision is made for any future losses as soon as they are foreseen.

For contracts where turnover exceeds fees rendered, the excess is included as amounts recoverable on long term contracts, within debtors. For contracts where fees rendered exceeds turnover, the excess is included in payments on account, within creditors.

1.5 Financial instruments

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

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.6 Taxation

The taxation expense represents the current tax expense. Current taxation assets or liabilities are not discounted.

Current tax is based on taxable profit for the year, with a current tax asset recognised when the tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2017

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In producing the financial statements, the company has to make judgements and estimates that directly affect the reported amounts of turnover, expenses, assets and liabilities. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions concern the future and will, by definition, seldom equal the related actual results. The estimate and judgement that has the most significant effect on the amounts recognised in the financial statements is discussed below:

Revenue recognition

The company believes that the most significant judgement is made in relation to revenue recognition. Revenue is recognised in line with the completion of projects, using the cost approach which involves estimating the total costs of projects. The company has established procedures to ensure that contracts and estimated costs to completion are reviewed regularly.

3. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

4. (LOSS)/PROFIT BEFORE TAXATION

Fees payable to RSM UK Audit LLP and its associates in respect of audit services are as follows:

	2017 £'000	2016 £'000
Audit services – statutory audit of the company	1	1

During the year, no director received any emoluments (2016 - £nil).

5. TAX ON (LOSS)/PROFIT

	2017 £'000	2016 £'000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	1
Tax on (loss)/profit	-	1

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2017

5. TAX ON (LOSS)/PROFIT (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 – the same as) the standard rate of corporation tax in the UK of 20% (2016 – 20%). The differences are explained below:

	2017 £'000	2016 £'000
(Loss)/profit before tax	(15)	6
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 20% (2016 – 20%)	(3)	1
Effects of:		
Group relief surrendered	3	-
Tax on (loss)/profit (see note above)	<u>-</u>	<u>1</u>

Factors that may affect future tax charges

The corporation tax rate will remain at 19% for the years commencing on 1 April 2018 and 2019 and reduce to 17% for the year commencing on 1 April 2020.

The director is not aware of any other factors that could materially affect the future tax charge.

6. DEBTORS	2017 £'000	2016 £'000
Amounts owed by group undertakings	273	269
Amounts recoverable on long term contracts	11	18
	<u>284</u>	<u>287</u>
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2017 £'000	2016 £'000
Payments on account	<u>12</u>	<u>-</u>
8. SHARE CAPITAL AND RESERVES	2017 £'000	2016 £'000
Allotted, called up and fully paid		
865 – Ordinary shares of £1 each	<u>1</u>	<u>1</u>

The company has one class of ordinary shares which carry no right to fixed income.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2017

8. SHARE CAPITAL AND RESERVES (continued)

Reserves

The company's only reserve is retained earnings which represents the cumulative profit and loss, net of distributions.

9. CONTINGENT LIABILITY

The company is registered under a group VAT scheme and jointly liable for the group VAT liability. The group VAT liability outstanding at year end was £2,044,000 (2016: £1,347,000).

10. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption from disclosing transactions and balances with other wholly owned group undertakings as permitted by Section 33 'Related Party Disclosures' of FRS 102.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The director considers the ultimate parent undertaking to be Happold LLP, a Limited Liability Partnership registered in England and Wales. Happold LLP is the smallest and largest Limited Liability Partnership for which consolidated accounts including BH Geoenvironmental Limited are prepared. The consolidated accounts of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.

The company's immediate parent undertaking at the balance sheet date was Buro Happold Engineers Limited, a company registered in England and Wales.