

Registration number: 02359925

Kier Parkman GB Limited

Annual Report and Financial Statements

for the Year Ended 31 July 2018



Kier Parkman GB Limited

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Kier Parkman GB Limited

Company Information

Directors	Simon Martle Bethan Melges
Registered office	Tempsford Hall Sandy Bedfordshire SG19 2BD
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Kier Parkman GB Limited

Directors' Report for the Year Ended 31 July 2018

The directors of Kier Parkman GB Limited (the "Company") present their report and the audited financial statements for the year ended 31 July 2018.

The Company is a member of the Kier Group plc ("Kier") group of companies (the "Kier Group" and the "Group").

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies. The directors have also taken exemption under section 414B of the Companies Act 2006 from preparing a strategic report.

Directors of the company

The directors who held office during the year and up to the date of signing these financial statements were as follows:

Simon Martle (appointed 26 October 2018)

Bethan Melges

Thomas Foreman (resigned 26 October 2018)

Principal activities

The principal activity of the Company is that of a non-trading holding company within the Kier Group.

Future developments and going concern

Following a reorganisation of the group structure, it is the directors' intention to liquidate the Company in the near future. The financial statements have therefore been prepared on the basis that the Company is no longer a going concern. Assets and liabilities have been included in the financial statements at their net realisable values.

Dividends

No dividend was paid in the year (2017: £Nil) and the directors do not recommend payment of a final dividend in respect of the year.

Fair review of the business

In the current year, the Company's only transaction was receipt of a pre-elimination distribution from a subsidiary company. In the prior year the Company's transactions were limited to dividends received and the novation of intercompany liabilities from a number of the Company's indirect subsidiaries which were in the process of liquidation at the prior year end date.

The Company made a profit of £2 (2017: £932,118 loss) and therefore the net assets of the Company increased to £7,529,884 from £7,529,882.

As the Company is a non-trading holding company, the directors do not use any specific key performance indicators to measure the performance of the Company.

Financial instruments

Objectives and policies

The Board is responsible for the Company's system of risk management and internal controls and for ensuring that significant risks are identified and appropriately managed. The Board has delegated the review of the effectiveness of the Company's risk management processes to the Kier Group Risk Management and Audit Committee ("RMAC"), including the systems established to identify, assess, manage and monitor risk. The risks faced by the Company are reviewed by the RMAC on a quarterly basis.

On behalf of the Board, the RMAC identifies risks that it considers most likely, without effective mitigation, to have an impact on the Company and its strategic priorities. If emerging risks are identified in between these annual reviews, these are incorporated immediately into the risk management process.

Kier Parkman GB Limited

Directors' Report for the Year Ended 31 July 2018 (continued)

Financial instruments (continued)

Price risk, credit risk, liquidity risk and cash flow risk

The Company relies on Kier Group borrowing and bonding facilities. Without these profit would reduce. Cash flow is forecast regularly to provide up-to-date and accurate information on the Company's current cash position and its future requirements. Kier Group level borrowing facilities have been recently renegotiated and extended. The Kier Group has strong, long-term relationships with the providers of its bonding lines and has an in-house team which monitors headroom and advises on bond terms and conditions.

Safety, health and environment

The safety of those on the Group's sites is of paramount importance to Kier as are the Group's obligations with respect to the health and wellbeing of its employees and the environment.

The Kier Group Safety, Health and Environment Committee continues to drive improvements in the management of safety, health and environment ('SHE') risk throughout the business.

The role of the Committee includes:

- Reviewing the Group's strategy with respect to SHE matters and challenging management to implement it;
- Encouraging management's commitment and accountability with respect to managing the Group's SHE risks;
- Reviewing and, as necessary, approving material Group-wide SHE initiatives, policies and procedures;
- Receiving reports on any major SHE incidents and challenging management to communicate the lessons learned from those incidents across the Group; and
- Monitoring and challenging management on the Group's performance against SHE targets.

For further information on Kier Group's activities with regards to SHE matters, please see the Kier Group plc 2018 Annual Report (available at www.kier.co.uk).

Directors' liability insurance

The articles of association of the Company entitle the directors of the Company, to the extent permitted by the Companies Act 2006 and other applicable legislation, to be indemnified out of the assets of the Company in the event that they suffer any expenses in connection with certain proceedings relating to the execution of their duties as directors of the Company.

In addition, Kier maintains insurance for the directors and officers of companies within the Kier Group to cover certain losses or liabilities to which they may be exposed due to their office.

Reappointment of independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Kier Parkman GB Limited

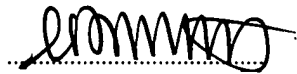
Directors' Report for the Year Ended 31 July 2018 (continued)

Disclosure of information to the auditors

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

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- 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.

Approved by the Board on 26 MARCH 2019 and signed on its behalf by:



Simon Martle
Director

Kier Parkman GB Limited

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard," 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 apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 of the ultimate parent company are responsible for the maintenance and integrity of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Kier Parkman GB Limited

Independent Auditors' Report to the Members of Kier Parkman GB Limited

Report on the audit of the financial statements

Opinion

In our opinion, Kier Parkman GB Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 31 July 2018; the Profit and Loss Account, 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.

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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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

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

Kier Parkman GB Limited

Independent Auditors' Report to the Members of Kier Parkman GB Limited (continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 July 2018 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 material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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. 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.

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.

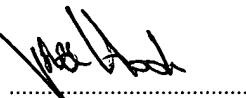
We have no exceptions to report arising from this responsibility.

Kier Parkman GB Limited

**Independent Auditors' Report to the Members of Kier Parkman GB Limited
(continued)**

Entitlement to exemptions

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



Jonathan Hook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 27/3/19

Kier Parkman GB Limited

Profit and Loss Account for the Year Ended 31 July 2018

	Note	2018 £	2017 £
Administrative expenses		-	(1,286,878)
Operating loss		-	(1,286,878)
Interest receivable and similar income	3	2	354,760
		2	354,760
Profit/(loss) before taxation		2	(932,118)
Tax on profit/(loss)	7	-	-
Profit/(loss) for the financial year		2	(932,118)

The above results were derived from discontinued operations.

Kier Parkman GB Limited

Statement of Comprehensive Income for the Year Ended 31 July 2018

	2018	2017
	£	£
Profit/(loss) for the financial year	<u>2</u>	<u>(932,118)</u>
Total comprehensive income/(expense) for the year	<u><u>2</u></u>	<u><u>(932,118)</u></u>

Kier Parkman GB Limited

(Registration number: 02359925)

Balance Sheet as at 31 July 2018

	Note	2018 £	2017 £
Current assets			
Debtors	8	7,529,884	7,529,882
Investments	9	-	-
Net assets		<u>7,529,884</u>	<u>7,529,882</u>
Capital and reserves			
Called up share capital	10	1,333,265	1,333,265
Share premium account		306,651	306,651
Capital redemption reserve		362,000	362,000
Profit and loss account		<u>5,527,968</u>	<u>5,527,966</u>
Total equity		<u>7,529,884</u>	<u>7,529,882</u>

The financial statements on pages 9 to 17 were approved by the Board of Directors on 26 MARCH 2019 and signed on its behalf by:



Simon Martle

Director

The notes on pages 13 to 17 form an integral part of these financial statements.

Kier Parkman GB Limited

Statement of Changes in Equity for the Year Ended 31 July 2018

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 August 2017	1,333,265	306,651	362,000	5,527,966	7,529,882
Profit for the financial year	-	-	-	2	2
Total comprehensive income for the year	-	-	-	2	2
At 31 July 2018	1,333,265	306,651	362,000	5,527,968	7,529,884

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 August 2016	1,333,265	306,651	362,000	6,460,084	8,462,000
Loss for the financial year	-	-	-	(932,118)	(932,118)
Total comprehensive expense for the year	-	-	-	(932,118)	(932,118)
At 31 July 2017	1,333,265	306,651	362,000	5,527,966	7,529,882

The notes on pages 13 to 17 form an integral part of these financial statements.

Kier Parkman GB Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

1 General information

The Company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Tempsford Hall
Sandy
Bedfordshire
SG19 2BD

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared on a basis other than going concern.

Summary of disclosure exemptions

As a qualifying entity for the purposes of FRS 102, the Company has taken advantage of the following disclosure exemptions under paragraph 1.12 of FRS 102:

- The requirement of section 7 of FRS 102 to produce a cash flow statement; and
- The requirement of section 33 of FRS 102 to disclose related party transactions with related parties within the same wholly owned group.

Exemption from preparing group financial statements

The financial statements contain information about Kier Parkman GB Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Kier Group plc, a company incorporated in England and Wales.

Going concern

Following a reorganisation of the group structure, it is the directors' intention to liquidate the Company in the near future. The financial statements have therefore been prepared on the basis that the Company is no longer a going concern. Assets and liabilities have been included in the financial statements at their net realisable values.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 August 2017 have had a material effect on the financial statements.

Kier Parkman GB Limited

Notes to the Financial Statements for the Year Ended 31 July 2018 (continued)

2 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

To be able to prepare financial statements according to generally accepted accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and various other assumptions that management and the Board of directors believe are reasonable under the circumstances. The results of this form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

The only area requiring critical judgement that may significantly impact on the Company's earnings and financial position is the recoverability of the amounts receivable from related parties. The directors consider the debtor to be fully recoverable..

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Dividends on equity securities are recognised in income when receivable.

Debtors

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Interest receivable and similar income

	2018	2017
	£	£
Dividend income	<u>2</u>	<u>354,760</u>

4 Staff costs

The Company had no employees during the current or prior year.

Kier Parkman GB Limited

Notes to the Financial Statements for the Year Ended 31 July 2018 (continued)

5 Directors' remuneration

The directors are remunerated through other Kier Group companies. Any apportionment of directors' remuneration in respect of their services to the Company would be immaterial.

6 Auditors' remuneration

Audit fees of £2,000 (2017: £2,000) were borne by another Group company and have not been recharged.

7 Tax on profit/(loss)

There is no tax payable or receivable in the current or preceding year.

The tax on profit before taxation for the year is the same as the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.67%).

The differences are reconciled below:

	2018 £	2017 £
Profit/(loss) before taxation	<u>2</u>	<u>(932,118)</u>
Corporation tax at standard rate	-	(183,348)
Effect of revenues exempt from taxation	-	(69,781)
Effect of expense not deductible in determining taxable profit (tax loss)	<u>-</u>	<u>253,129</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

8 Debtors

	2018 £	2017 £
Amounts owed by group undertakings	<u>7,529,884</u>	<u>7,529,882</u>
	<u>7,529,884</u>	<u>7,529,882</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Kier Parkman GB Limited

Notes to the Financial Statements for the Year Ended 31 July 2018 (continued)

9 Investments

Details of the subsidiaries as at 30 June 2018 are as follows:

Name of subsidiary	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Kier Parkman Two (NI) Limited (in liquidation)	Shorefield House, Kinnegar Drive, Holywood, Co. Down, BT18 9JQ Northern Ireland	Ordinary shares	100%	100%
Newbury King & Co. Limited (in liquidation)*	1 More London Place, London, SE1 2AF	Ordinary shares	99.8%	99.8%
Parkman Holdings Limited*	Tempsford Hall, Sandy, Bedfordshire, SG19 2BD	Ordinary shares	100%	100%

The principal activity of Kier Parkman Two (NI) Limited (in liquidation) is that of a dormant company. Its financial period end is 30 March.

The principal activity of Newbury King & Co. Limited (in liquidation)* is that of a dormant company. Its financial period end is 31 March.

The principal activity of Parkman Holdings Limited* is that of a non-trading intermediate holding company.

*Indicates direct investment of the Company.

10 Called up share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,333,265</u>	<u>1,333,265</u>	<u>1,333,265</u>	<u>1,333,265</u>

11 Parent and ultimate parent undertaking

The company's immediate parent is Kier Dormant Holdings Limited, incorporated in England and Wales.

The ultimate parent is Kier Group plc, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Kier Group plc. These financial statements are available upon request from Companies House and www.kier.co.uk.

The ultimate controlling party is Kier Group plc.

Kier Parkman GB Limited

Notes to the Financial Statements for the Year Ended 31 July 2018 (continued)

11 Parent and ultimate parent undertaking (continued)

Under the terms of a fully underwritten rights issue, ordinary shareholders of Kier Group plc on the register at the close of business on 30 November 2018 were offered 64,455,707 new ordinary shares of 1 pence each on the basis of 33 new ordinary shares for every existing 50 ordinary shares held. Dealing in the new shares, fully paid, commenced on 20 December 2018 and resulted in proceeds on issue of approximately £250m, net of expenses of £14m.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Kier Group plc, incorporated in England and Wales.

The address of Kier Group plc is:

Tempsford Hall
Sandy
Bedfordshire
SG19 2BD

Further information on Kier Group plc can be obtained from www.kier.co.uk.

The parent of the smallest group in which these financial statements are consolidated is Kier Limited, incorporated in England and Wales.

The address of Kier Limited is:

Tempsford Hall
Sandy
Bedfordshire
SG19 2BD

The financial statements of Kier Limited are available from Companies House.