

Turner & Townsend Suiko Limited

Directors' report and financial
statements

Registered number 03363376

30 April 2019



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Company information

Directors

RCC Lyle
VP Clancy
P Moore
M Barrett

Registered office

Low Hall
Calverley Lane
Horsforth
Leeds
LS18 4GH
United Kingdom

Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Strategic report

The directors present their strategic report for Turner & Townsend Suiko Limited ("the Company") for the year ended 30 April 2019.

Principal activities

The principal activity of the Company during the year was the provision of management consultancy services to the real estate and infrastructure sectors.

Business model

The Company is a member of the Turner & Townsend Group. Turner & Townsend is a global programme management and construction consultancy which supports organisations that invest in, own and operate assets.

We support organisations to succeed by managing risk while maximising value and performance during the construction and operation of their assets.

The Company operates primarily in the UK. It delivers services to its local market across the real estate and infrastructure sectors.

Business review

For the year ended 30 April 2019 turnover was £6,806,869 (2018: £3,240,556). Profit before tax for the year was £1,362,201 (2018: £178,807).

The balance sheet remains strong as does the liquidity of the Company. At the year end the business had net assets of £936,043 (2018: £1,736,113).

Key performance indicators

The directors consider turnover and profit before tax to be the key performance indicators for the business. These results are reported on a monthly basis.

In addition to turnover and profit before tax, the directors monitor and review staff utilisation, income and cost per head, debtor days and the level of income secured against budget on a monthly basis.

Risks and uncertainties

The principal risks and uncertainties facing the Company are as follows:

Customers and markets

The Company is exposed to the risk of losing key customers and to market volatility. The Company manages these risks through diversification into different sectors and by ensuring no reliance on any single customer.

Resourcing and retention

The Company is at risk of not filling gaps in its management structure as they arise, a lack of capacity of existing resource to meet demand and the failure to retain valued and experienced people. The Company manages these risks through an internal recruitment system and resourcing team, a documented mobility policy and embedded learning and development and performance review processes.

Strategic report (continued)

Risks and uncertainties (continued)

Compliance

As the Company expands it is increasingly exposed to new business regulations and the risk of breaches of regulatory laws by individual employees. The Company manages these risks through the retention and use of regional professional advisors, ongoing training and the reinforcement of a culture of good governance and documented procedures and plans to address the event, or possibility, of non-compliance.

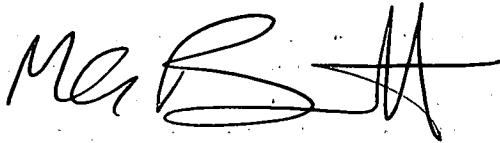
Credit risks

The Company manages credit risk by obtaining external credit evaluations on customers and regular monitoring of the outstanding debt. The wide customer base ensures no significant exposure to any individual customer default.

Future developments

The directors will continue to implement the strategy of growth through the diversification of services and sectors that has provided such resilience to the business in recent years.

Signed on behalf of the board



M Barrett
Director

Low Hall
Calverley Lane
Horsforth
Leeds
LS18 4GH
United Kingdom

22 October 2019

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2019.

The Company is incorporated, domiciled and registered in England and Wales.

Dividends

The Company has declared and paid dividends of £1,900,000 (2018: £nil) on its ordinary shares during the year.

Directors and directors' interests

The directors who held office during the year and up to the date of this report were as follows:

RCC Lyle	
VP Clancy	
P Moore	(appointed 1 May 2018)
M Barrett	(appointed 1 May 2018)

No rights to subscribe for shares in, or debentures of, the Company were granted to any of the directors or their immediate families, during the financial year.

Disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company was proposed at the Annual General Meeting.

By order of the board



M Barrett
Director

Low Hall
Calverley Lane
Horsforth
Leeds
LS18 4GH
United Kingdom

22 October 2019

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Turner & Townsend Suiko Limited

Opinion

We have audited the financial statements of Turner & Townsend Suiko Limited ("the Company") for the year ended 30 April 2019 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of trade receivables and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

Independent auditor's report to the members of Turner & Townsend Suiko Limited

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Claire Needham (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Sovereign Square
Sovereign Street
Leeds
LS1 4DA

23 October 2019

Profit and loss account and other comprehensive income

For the year ended 30 April 2019

	Note	2019 £	2018 £
Turnover	2	6,806,869	3,240,556
Cost of sales		(4,349,174)	(2,221,313)
Gross profit		2,457,695	1,019,243
Administrative expenses		(1,111,729)	(846,777)
Other operating income		187	1,881
Operating profit		1,346,153	174,347
Interest receivables and similar income		16,048	4,697
Interest payable and similar charges		-	(237)
Profit before taxation	3	1,362,201	178,807
Tax on profit for the financial year	6	(262,271)	(24,540)
Profit for the financial year		1,099,930	154,267

The accompanying notes form part of the financial statements.

The Company had no other comprehensive income or expenditure other than the profit for the financial year.

The results of the Company arose entirely from continuing operations.

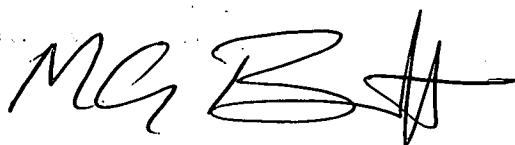
Balance sheet

At 30 April 2019

	Note	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	8		14,086		19,962
			<u>14,086</u>		<u>19,962</u>
Current assets					
Debtors	9	1,350,241		1,772,371	
Cash at bank and in hand		1,485,777		362,174	
		<u>2,836,018</u>		<u>2,134,545</u>	
Creditors: amounts falling due within one year	10	<u>(1,909,515)</u>		<u>(413,848)</u>	
Net current assets			<u>926,503</u>		<u>1,720,697</u>
Total assets less current liabilities			<u>940,589</u>		<u>1,740,659</u>
Provisions for liabilities			<u>(4,546)</u>		<u>(4,546)</u>
Net assets			<u>936,043</u>		<u>1,736,113</u>
Capital and reserves					
Called up share capital	11		1,110		1,110
Share premium			32,590		32,590
Capital redemption reserve			180		180
Profit and loss account			902,163		1,702,233
			<u>936,043</u>		<u>1,736,113</u>
Shareholders' funds			<u>936,043</u>		<u>1,736,113</u>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 22 October 2019 and were signed on its behalf by:



M Barrett

Director

Statement of changes in equity

For the year ended 30 April 2019

	Share capital £	Share premium £	Capital redemption £	Retained earnings £	Total equity £
At 1 May 2018	1,110	32,590	180	1,702,233	1,736,113
Profit for year	-	-	-	1,099,930	1,099,930
	<u>1,110</u>	<u>32,590</u>	<u>180</u>	<u>2,802,163</u>	<u>2,836,043</u>
Transactions with owners recorded directly in equity					
Dividends	-	-	-	(1,900,000)	(1,900,000)
At 30 April 2019	<u><u>1,110</u></u>	<u><u>32,590</u></u>	<u><u>180</u></u>	<u><u>902,163</u></u>	<u><u>936,043</u></u>

	Share capital £	Share premium £	Capital redemption £	Retained earnings £	Total equity £
At 1 May 2017	1,110	32,590	180	1,547,966	1,581,846
Profit for the year	-	-	-	154,267	154,267
At 30 April 2018	<u><u>1,110</u></u>	<u><u>32,590</u></u>	<u><u>180</u></u>	<u><u>1,702,233</u></u>	<u><u>1,736,113</u></u>

The accompanying notes form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Turner & Townsend Suiko Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Turner & Townsend Partners LLP, includes the Company in its consolidated financial statements. The consolidated financial statements of Turner & Townsend Partners LLP are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from the registered office (see note 14).

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries of the Turner & Townsend Partners LLP group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Turner & Townsend Partners LLP include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- the disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

In the year ended 30 April 2019 the following standards have become effective:

IFRS 9 Financial instruments

The Company has adopted IFRS 9 from the date of initial application (1 May 2018). Accordingly, the information presented for 2018 has not been restated. Additionally, the disclosure requirements in IFRS 9 have not generally been applied to comparative information. The transition to IFRS 9 has had no material impact on the Company's financial statements.

In the year ended 30 April 2018, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written-off by reducing the carrying amount directly.

Notes (continued)

1 Accounting policies (continued)

Where there was objective evidence that an impairment loss had been incurred, but not yet known to be uncollectible, impairment losses were recognised in a separate provision.

In the year ended 30 April 2019, the Company has adopted an expected credit loss model. This change has not had a material impact on the Company's financial statements.

IFRS 15 Revenue from contracts with customers

The Company has adopted IFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application (1 May 2018). Accordingly, the information presented for 2018 has not been restated. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information. The transition to IFRS 15 has had no material impact on the Company's financial statements.

IFRS 15 requires the Company to recognise turnover as it satisfies its performance obligations under the contracts entered into. The Company adopted processes in the year ended 30 April 2018 to identify the contracts, performance obligations and transaction prices within a contract to ensure transaction prices are correctly allocated to performance obligations and to ensure turnover is recognised as performance obligations are satisfied. As these elements of turnover recognition were properly identified in the year ended 30 April 2018, the method by which the Company recognises turnover on time charge and lump sum jobs is unchanged by the adoption of IFRS 15.

With the exception of the above, the accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Functional and presentational currency

These financial statements are presented in Great British Pounds, which is the Company's functional currency. All financial information presented in Great British Pounds has been rounded to the nearest pound.

Going concern

The directors have prepared a working capital forecast using assumptions as to future trading. Based upon these projections and its cash balances, the directors have concluded that the Company has adequate working capital and therefore it is appropriate to use the going concern basis of preparation for this financial information.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Financial instruments (policy applicable from 1 May 2018)

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit and Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes (continued)

1 Accounting policies (continued)

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Subsequent measurement and gains and losses

Financial assets at amortised cost - these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the profit and loss account. Any gain or loss on derecognition is recognised in the profit and loss account.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the profit and loss account. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit and loss account. Any gain or loss on derecognition is also recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

(iii) Impairment

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets (as defined in IFRS 15).

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Fixed assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Fixtures, fittings and equipment	-	25% reducing balance
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Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Employee benefits

Defined contribution plans

The pension scheme participated in by the Company is a defined contribution scheme. Obligations for contributions to this pension plan are recognised as an expense in the profit and loss account as incurred.

Share-based payments

The Company has issued equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured by the Company at fair value at the grant date. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Turnover

All turnover arises from professional services provided to customers during the year. Turnover is recognised as the Company satisfies its performance obligations under the contracts entered into. Performance obligations are deemed to be met over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance.

Fixed fee turnover is recognised over time by measuring the progress towards complete satisfaction of the performance obligation. Progress is calculated by considering costs incurred to date and total forecast costs. Time charge turnover is recognised based on the number of billable hours undertaken in the year.

Work is undertaken on contracts either on the basis that time is billed as incurred or according to the terms of the fixed price contracts (which are substantially long-term). With respect to the former, turnover and profit are recognised according to time worked. With respect to fixed price contracts, turnover is recognised according to the percentage of the estimated total contract value completed. All losses are fully recognised as soon as incurred or foreseen.

Where the value of turnover recognised in accordance with this policy differs from the actual amount invoiced in accordance with the terms of the contract, then the difference is included in debtors as "amounts recoverable on contracts" and in creditors as "amounts invoiced in excess of work in progress", as appropriate.

Key sources of uncertainty and judgement

Turnover for professional services – key estimate

In calculating the turnover for professional services, the Company makes certain estimates as to the progress towards complete satisfaction of performance obligations. In doing so, the Company may make certain estimates as to the remaining costs to be incurred in completing the services required under the contract and the client's ability and intention to pay for the services provided. A different assessment of the outturn on a contract may result in a different value being determined for turnover.

Trade and other receivables – key estimate

The Company makes an assessment of impairment losses on trade receivables after giving consideration to a client's ability and willingness to pay invoices issued and unbilled amounts for client work. A different assessment of the recoverability of either balance may result in a different value being determined for these.

2 Turnover and profit before taxation

Turnover and profit before taxation is wholly attributable to the Company's principal activity and takes place mainly in the UK.

Notes (continued)

3 Profit before taxation

	2019 £	2018 £
<i>Profit before taxation is stated after charging:</i>		
Fees payable to the Company's auditor for the audit of the Company financial statements	14,000	11,500
Depreciation	5,249	6,653
	<u> </u>	<u> </u>

4 Directors' remuneration

Directors' remuneration during the year was as follows:

	Salary £	Bonus £	Pension contributions £	2019 Total £	2018 Total £
Directors' remuneration	257,750	40,000	16,521	314,271	381,329
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

A total of 4 (2018: 4) directors served the Company during the year. All directors also held director positions in other Turner & Townsend group companies. The remuneration of 2 (2018: 2) directors that served during the year is disclosed above whilst the remuneration of the remaining 2 (2018: 2) is disclosed in other group companies in which they spend the majority of their time. 4 directors (2018: 3), including those remunerated by another group company, accrued retirement benefits under money purchases schemes.

5 Staff numbers and costs

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Professional and administrative staff	15	16
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	1,617,772	1,199,098
Social security costs	156,865	143,928
Other pension costs (note 12)	65,491	67,665
	<u> </u>	<u> </u>
	1,840,128	1,410,691
	<u> </u>	<u> </u>

Notes (continued)

6 Taxation

	2019	2018
	£	£
UK corporation tax		
Current tax on profit for the year	260,524	34,874
Adjustment in respect of prior years	1,747	(10,334)
	<u>262,271</u>	<u>24,540</u>
Tax on profit for the financial year	262,271	24,540
	<u>262,271</u>	<u>24,540</u>
Taxation reconciliation		
	2019	2018
	£	£
Profit before tax for the financial year	1,362,201	178,807
Current tax at 19.0% (2018: 19.0%)	258,818	33,973
Effects of:		
Employee share acquisition deduction	-	-
Expenses not deductible for tax purposes	1,706	901
Adjustment in respect of prior periods	1,747	(10,334)
Total tax charge	<u>262,271</u>	<u>24,540</u>

The UK corporation tax rate, currently 19%, will reduce to 17% from 1 April 2020 as included in the 2016 Finance Act.

7 Dividends

	2019	2018
	£	£
Ordinary shares:		
Dividends	1,900,000	-
	<u>1,900,000</u>	<u>-</u>

Notes (continued)

8 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 May 2018	98,789
Additions	6,395
Disposals	(62,330)
At 30 April 2019	42,854
Depreciation	
At 1 May 2018	78,827
Charge for year	5,249
Disposals	(55,308)
At 30 April 2019	28,768
Net book value	
At 30 April 2019	14,086
At 1 May 2018	19,962

9 Debtors

	2019 £	2018 £
<i>Amounts due in less than one year</i>		
Trade debtors	355,023	615,474
Amounts recoverable on contracts	332,651	147,805
Amount owed by group companies	643,532	97,895
Other debtors and prepayments	19,035	11,197
	1,350,241	872,371
<i>Amounts due after more than one year</i>		
Amounts owed by group companies	-	900,000
	1,350,241	1,772,371

Current account balances with related Turner & Townsend undertakings have arisen from trading on an arm's length basis, are interest-free and are repayable on demand.

Notes (continued)

10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	285,034	100,771
Amounts invoiced in excess of work in progress	545,554	153,685
Corporation tax	260,515	24,777
Other tax and social security	297,228	107,400
Accruals and other creditors	473,877	27,215
Amounts due to group companies	47,307	-
	<u>1,909,515</u>	<u>413,848</u>

Current account balances with related Turner & Townsend undertakings have arisen from trading on an arm's length basis, are interest-free and are repayable on demand.

11 Called up share capital

	£
<i>Ordinary shares of £0.01 each allotted, called up and fully paid</i>	
At the beginning and end of the year	<u>1,110</u>

12 Pension schemes

Defined contribution schemes

The scheme participated in by the Company is a defined contribution scheme. The pension cost for the year represents contributions payable by the Company to the schemes and amounted to £65,491 (2018: £67,665).

Notes (continued)

13 Related party disclosures

The Company has a related party relationship with fellow Turner & Townsend entities, its immediate and ultimate parent companies and with its directors.

The Company has relied on the exemption in Financial Reporting Standard 101 not to disclose transactions with other wholly owned subsidiaries of the Turner & Townsend Partners LLP group, on the basis that consolidated financial statements are prepared by Turner & Townsend Partners LLP and are available from the registered office.

Balances due from and to group companies are disclosed in notes 9 and 10.

14 Ultimate parent company

The largest group in which the results of the Company are consolidated is that headed by Turner & Townsend Partners LLP, incorporated in England and Wales. The smallest group in which the results of the Company are consolidated is that headed by Turner & Townsend Limited, incorporated in England and Wales. The registered office for Turner & Townsend Partners LLP and Turner & Townsend Limited is; Low Hall, Calverley Lane, Horsforth, Leeds, LS18 4GH.

The consolidated financial statements of these companies are available to the public and may be obtained from the Company's registered office.