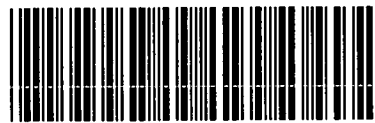


OHES Environmental Limited
Annual report and financial statements
for the year ended 30 September 2019

Registered number: 4320201

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OHES Environmental Limited

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OHES Environmental Limited

Strategic report

Year ended 30 September 2019

The Directors present their strategic report for the year ended 30 September 2019.

Activities and business review

The principal activity of the Company in the period under review was that of environmental remediation and risk reduction consultancy. It is expected that there will be no significant change in nature of the Company's activities in the foreseeable future.

The Company is a wholly owned subsidiary of Adler and Allan Limited, having been acquired from Arthur J. Gallagher & Co on 31 October 2017.

The results of the Company for the year ended 30 September 2019 are set out in the financial statements on pages 10 to 23.

Key performance indicators

The Directors measure the performance of the Company and its progress during the year using the following KPIs:

	2019	2018
		(9 Months)
	£'000	£'000
Turnover	18,072	11,851
Gross profit	6,517	4,323
Gross profit margin	36.1%	36.5%
Average number of direct revenue earning employees	95	80
Revenue per direct revenue earning employee	189	148

The Company has continued to focus on its core offerings across Environmental Claims Management (ECM), Contaminated Land, Water and Ecology, and a 24 hours emergency response subscription service.

Focus on existing Loss Adjuster relationships within the insurance sector have lead to an increase in instructions in the financial period, this coupled with the full year impact of the additional water quality monitoring contract secured within the utilities market, and greater cohesion with group approach to clients, has driven an increase in operating profit

Direct, fee earning staff, headcount has grown from 84 at the beginning of the year to 102 as at 30 September 2019 (note 6 shows the average throughout the period) and there are further, similar recruitment plans for period to 30 September 2020 to drive an ambitious growth target.

The profit increase has translated into a strengthening of the balance sheet and the Company continues to operate unencumbered by debt.

During the year the company took advantage of group tax allowance resulting in a prior period adjustment for tax.

OHES Environmental Limited

Strategic report

Year ended 30 September 2019

Future Developments

The directors expect the operations to grow over the next 12 months, by further penetration into the Insurance market, with a continued service offering for post loss events but a new product line in pre loss environmental surveys.

Principal risks and uncertainties

The Directors consider the principal risks and uncertainties faced by the business to be the following:

Competition

As with most businesses, competitive pressure is an ongoing risk, which could result in the Company losing sales. The Company manages this risk by focusing on building strong long-term relationships with high quality customers through the provision of innovative, added value services.

Financial instruments

The Company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital through retained earnings. The Company's exposure to the price risk of financial instruments is therefore minimal. The Company does not make forward currency purchases as it only makes minimal sales or purchases in foreign currencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its cash flow daily, with a 12-week forecast submitted to the parent company weekly. The company adopts a customer support model which includes regular client meetings and onsite support including outstanding invoices, due for payment. The Company does not have any debt.

Legal/regulatory risk

Legal/regulatory risk is the risk that the legal or regulatory environment in which the Company operates will change and create additional loss costs or expenses not anticipated by the Company in pricing its services. This is considered a low risk for the Company, as it works on behalf of their clients and any additional costs, driven by changes in regulation, would be not be subsumed by the Company.

Other matters

Other key focus areas of the Directors are in relation to the health, safety and welfare of the employees of the Company, and monitoring the impact of the Company on the environment, as detailed below.

Employees

The Company's policy is to consult and discuss with employees matters likely to affect employees' interests.

The Company gives every consideration to applications for employment from disabled persons where the requirement of the job may be adequately covered by such persons.

Where employees are disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions, and to provide training and development and promotion whenever appropriate.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that may be caused by the Company's activities.

OHES Environmental Limited

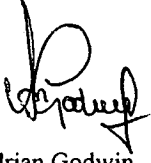
Strategic report

Year ended 30 September 2019

Brexit

The Company will have limited exposure to any Brexit outcome, the majority of its operation being domestic.

Approved by the Board of Directors and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'A Godwin', written over a horizontal line.

Adrian Godwin

Director 11 February 2020

OHES Environmental Limited

Directors' report

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

Principal activity of the business

The principal activity of the Company is that of environmental and remediation risk reduction consultancy.

Registered Office

80 Station Parade, Harrogate, North Yorkshire, HG1 1HQ.

Results

The profit after taxation for the year ended 30 September 2019 was £2,228,000 (2018: £1,380,000)

Proposed dividends

The Company declared a final dividend of £nil (2018: £nil). The retained profit of £2,222,000 (2018: £1,380,000) has been transferred to reserves.

Directors

The Directors' who served during the year and to the point of signing, are as follows:

A Godwin
D Jones
B Contreras
M Dunn

The results for the year are set out in the profit and loss account on page 10 of the financial statements. The balance sheet on page 11 of the financial statements shows the financial position of the Company at the year end.

Political and charitable donations

The Company made no charitable donations during the year (2018:£nil). No political donations were made in the year (2018: £nil).

Future Developments

Future developments of the Company are discussed in the Strategic report on page 1 and form part of this report by cross reference.

Going concern

The Directors have considered the going concern assumption given the uncertainty around the current economic climate and have formed the conclusion that there is a reasonable expectation that the Company will continue to operate in the foreseeable future. The Directors have reviewed the Company revenue projections and cash flow forecasts and the available group facilities for the next 12 months and beyond in forming this judgement.

Post balance sheet event

There were no post balance sheet events.

OHES Environmental Limited

Directors' report

Statement of information given to auditor

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Principal risks and uncertainties and financial risk management

Principal risks and uncertainties and financial risk management are discussed on page 2 in the strategic report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, the Company newsletter and a special edition for employees of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Auditor

On 11 October 2019 Deloitte LLP resigned as the company's auditors and RSM UK Audit LLP were appointed in their place. A resolution to re-appoint RSM UK Audit LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Adrian Godwin
Director
11 February 2020

OHES Environmental Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments and accounting 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; 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. 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.

OHES Environmental Limited

Independent auditor's report to the members of OHES Environmental Limited

Opinion

We have audited the financial statements of OHES Environmental Limited (the 'company') for the year ended 30 September 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and 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 FRS 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 company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

OHES Environmental Limited

Independent auditor's report to the members of OHES Environmental Limited

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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 material misstatements in the strategic report or the directors' 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, 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.

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.

OHES Environmental Limited

Independent auditor's report to the members of OHES Environmental Limited

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.

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 on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

Michael Thornton (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

LS1 4DL

19. February 2020

OHES Environmental Limited

Profit and loss account

For the year ended 30 September 2019

	Note	2019 £'000	2018 (9 Months) £'000
Turnover	3	18,072	11,851
Cost of sales		(11,555)	(7,528)
Gross profit		<u>6,517</u>	<u>4,323</u>
Administrative expenses		(4,373)	(2,921)
Operating profit		<u>2,144</u>	<u>1,402</u>
Finance costs	4	(9)	(6)
Profit before taxation	5	2,135	1,396
Tax on profit	8	153	(16)
Profit for the financial year		<u><u>2,288</u></u>	<u><u>1,380</u></u>

There is no other comprehensive income in the year, accordingly no statement of comprehensive income has been prepared.

All results were derived from continuing operations.

OHES Environmental Limited

Balance sheet

At 30 September 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Tangible assets	9	161	59
Current assets			
Debtors due within one year	10	7,145	6,202
Cash at bank and in hand		1,420	1,338
Total current assets		8,565	7,540
Creditors: Amounts falling due within one year	11	(2,444)	(3,592)
Net current assets		6,121	3,948
Total assets less current liabilities		6,282	4,007
Provisions for liabilities	12	(51)	(63)
Net assets		6,231	3,944
Capital and reserves			
Called-up share capital		-	-
Profit and loss account	14	6,231	3,944
Shareholders' funds		6,231	3,944

The financial statements of OHES Environmental Limited (registered number 004320201) were approved by the board of directors and authorised for issue on 11 February 2020. They were signed on its behalf by:



A N Godwin

Director

OHES Environmental Limited

Statement of Changes in Equity

At 30 September 2019

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2018	-	2,563	2,563
Profit for the financial year	-	1,380	1,380
At 31 December 2018	-	3,943	3,943
Profit for the financial year	-	2,288	2,288
At 30 September 2019	-	6,231	6,231

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding year.

a. Basis of preparation

OHES Environmental Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on page 4. The nature of the group's operations and its principal activities are set out in the Strategic Report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of OHES Environmental Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are individual accounts. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Adler & Allan Group limited. The group accounts of Adler & Allan Group Limited are available from the address disclosed in note 16.

OHES Environmental Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The 2019 results are for the period from October 2018 to September 2019 to bring the Company reporting period in line with the parent, Adler and Allan Limited.

b. Going concern

The Directors have considered the going concern assumption given the uncertainty around the current economic climate and have formed the conclusion that there is a reasonable expectation that the Company will continue to operate in the foreseeable future. The Directors have reviewed the Company revenue projections and cash flow forecasts and the available group facilities for the next 12 months and beyond in forming this judgement.

c. Turnover

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided, trade discounts, value added and similar sales-based taxes.

Revenue is recognised as follows:

- Turnover from environmental consultancy services represents the value of work carried out during the year, including amounts not invoiced.
- Turnover from subscription income for the 24/7 chemical advice line, is apportioned by number of months from the date of the invoice to the end of the financial year.

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

1. Accounting policies (continued)

d. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	33% straight line
Motor vehicles	33% straight line
Fixtures and fittings	25% straight line
Computer equipment	33% straight line

Residual value represents the estimated amount that would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

e. Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risk of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

f. Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

1. Accounting policies (continued)

sheet date. Deferred tax is measured on a non-discounted basis.

h. Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

k. Fixed asset impairment

Fixed assets are reviewed for impairment when changes in circumstances or events indicate that the carrying value of the fixed assets may not be recoverable. An impairment loss is recognised where the recoverable amount is less than the carrying value.

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience 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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making its judgement, management considered the detailed criteria for the rendering of services set out in FRS 102 Section 23 Revenue and, in particular, whether the Company had performed the service at the end of the reporting period.

The critical accounting judgement therefore pertains to the value of the accrued income at the year end. The accrued income is calculated using actual chargeable hours recorded, materials booked and bought in costs.

Following the detailed review of all outstanding projects, at the year end and quantification of the Company's work in progress, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate.

3. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2019	2018
	(9 Months)	(9 Months)
Turnover:	£'000	£'000
United Kingdom	18,000	11,772
Republic of Ireland	72	79
	<u>18,072</u>	<u>11,851</u>

The Company's entire turnover in the year was in relation to the principal activity as defined in the Strategic report on page 1.

4. Finance costs

	2019	2018
	(9 Months)	(9 Months)
	£'000	£'000
Interest payable and similar expenses	(9)	(6)
	<u>(9)</u>	<u>(6)</u>

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2019	2018
		(9 Months)
	£'000	£'000
Depreciation of tangible fixed assets (note 9)	37	17
Operating lease rentals	501	298
	<u>538</u>	<u>315</u>

The analysis of the auditor's remuneration is as follows:

	2019	2018
		(9 Months)
	£'000	£'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	25	28
Total audit fees	<u>25</u>	<u>28</u>

The fee for the audit of the 30 September 2019 financial statements of £25,000 (2018: £28,000) was borne by OHES Environmental Limited. There were no non-audit fees for the current or prior year.

No services were provided pursuant to contingent fee arrangements.

6. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2019	2018
		(9 Months)
	Number	Number
Direct Labour	95	80
Administration	12	11
	<u>107</u>	<u>91</u>

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

Their aggregate remuneration comprised:

	2019 £'000	2018 (9 Months) £'000
Wages and salaries	3,359	2,355
Social security costs	408	249
Other pension costs	166	124
	<u>3,933</u>	<u>2,728</u>

7. Directors' remuneration and transactions

	2019 £'000	2018 (9 Months) £'000
<i>Directors' remuneration</i>		
Emoluments	198	2
Company contributions to money purchase pension schemes	9	-
	<u>207</u>	<u>2</u>
 The number of directors who:	Number	Number
Are members of a money purchase pension scheme	<u>2</u>	<u>2</u>

This disclosure note relates to the two directors, employed by the Company. The company did not incur charges for directors from Adler and Allan.

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

8. Tax on profit

The tax charge comprises:

	2019 £'000	2018 (9 Months) £'000
Current tax on profit		
UK corporation tax	407	266
Less group tax relief	(407)	(266)
Adjustments in respect of prior years	(156)	-
Total current tax	(156)	-
Deferred tax		
Origination and reversal of timing differences	3	15
Total deferred tax (see note 13)	3	15
Total tax on profit on ordinary activities	(153)	15

The standard rate of tax applied to reported profit on ordinary activities is 19.0% (2018: 19.0%).

Finance (No. 2) Act 2015 reduced the rate from 20% to 19% (with effect from 1 April 2018) and to 18% (with effect from 1 April 2020). The 2020 rate was further reduced to 17% by Finance Act 2018. Accordingly, deferred tax balances have been valued at the lower rate of 17% in these accounts to the extent that timing differences are expected to reverse after this date.

There is no expiry date on timing differences, unused tax losses or tax credits.

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

8. Tax on profit (continued)

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2019 £'000	2018 (9 Months) £'000
Profit before tax	2,135	1,396
Tax on profit at standard UK corporation tax rate of 19 per cent (2018: 19 per cent)	405	265
Effects of:		
- Expenses not deductible for tax purposes	2	1
- Movement in short term timing differences	-	15
- Group relief not paid for	(407)	(266)
- Adjustments to tax charge in respect of previous periods	(153)	-
Total tax charge for period	(153)	15

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

9. Tangible fixed assets

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost or valuation					
At 01 October 2018	460	50	8	283	801
Additions	83	7	-	49	139
At 30 September 2019	<u>544</u>	<u>57</u>	<u>8</u>	<u>332</u>	<u>940</u>
Depreciation					
At 01 October 2018	421	47	5	269	742
Charge for the year	25	2	2	8	37
At 30 September 2019	<u>446</u>	<u>49</u>	<u>7</u>	<u>277</u>	<u>779</u>
Net book value					
At 30 September 2019	<u>97</u>	<u>8</u>	<u>1</u>	<u>55</u>	<u>161</u>
At 30 September 2018	<u>39</u>	<u>3</u>	<u>3</u>	<u>14</u>	<u>59</u>

10. Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Trade debtors	5,551	5,142
Prepayments and accrued income	1,512	1,028
Deferred tax	30	32
Intercompany Debtor	52	-
	<u>7,145</u>	<u>6,202</u>

11. Creditors – amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	769	1,154
Amounts owed to group undertakings	214	1,010
Corporation tax	45	201
Other taxation and social security	168	73
Other creditors	66	66
VAT creditor	507	484
Accruals and deferred income	675	604
	<u>2,444</u>	<u>3,592</u>

Amounts owed by Group undertakings are repayable on demand and carry nil interest.

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

12. Provisions for liabilities

	Dilapidations provision £	Warranty provision £	Total £
Company			
At 1 October 2018	26	37	63
Charged to profit and loss account	-	(12)	(12)
	<u>26</u>	<u>25</u>	<u>51</u>
At 30 September 2019	26	25	51

Dilapidations provision

The Company leased four properties during the period of the financial statements. The dilapidations provision is to cover work, as defined in the lease, at the termination of the contract. An estimate of dilapidations expense per square foot, has been applied to each lease and charged to the profit and loss in line with period of occupation.

Warranty provision

The warranty provision is in place to cover costs of known claims against the company going through the courts.

13. Deferred tax asset

Deferred tax asset consists of the following amounts:

	2019 £'000	2018 £'000
Provision at start of period	32	48
Charge to the profit and loss account	(2)	(15)
Deferred tax asset	<u>30</u>	<u>32</u>
Accelerated capital allowances	25	27
Short term timing differences	5	5
Deferred tax asset	<u>30</u>	<u>32</u>

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

There was no unprovided deferred tax.

OHES Environmental Limited

Notes to the financial statements

For the year ended 30 September 2019

14. Called-up share capital and reserves

	2019 £	2018 £
Called-up share capital and reserves		
Allotted, called-up and fully paid		
2 ordinary "A" shares of £1 each	2	2

15. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other operating leases	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Company				
- within one year	45	48	189	231
- between one and five years	118	163	82	207
	<u>163</u>	<u>211</u>	<u>271</u>	<u>438</u>

16. Controlling party

The immediate parent undertaking is Adler & Allan Limited incorporated in England and Wales. In the opinion of the Directors the ultimate parent company is Adler & Allan Group Limited (80, Station Parade, Harrogate, HG1 1HQ) and that company is ultimately controlled by its Directors and their financial co-investor Lloyds Development Capital (LDC).

The largest and smallest group in which the results of the Company are consolidated is that headed by Adler & Allan Group Limited incorporated in England and Wales. Copies of that company's financial statements are available from The Registrar of Companies, Crown Way, Maindy, Cardiff, CF14 3UZ.