

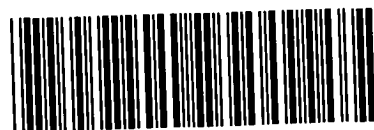
BWB Consulting Limited

Registered number: 05265863

Directors' report and financial statements

For the year ended 31 July 2018

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BWB CONSULTING LIMITED

COMPANY INFORMATION

Directors	T D Loveridge G Nicholson M Pearce D Hollingsworth A Passmore S Zalega
Registered number	05265863
Registered office	5th Floor Waterfront House Station Street Nottingham NG2 3DQ
Trading Address	5th Floor Waterfront House Station Street Nottingham NG2 3DQ
Independent auditor	Mazars LLP Park View House 58 The Ropewalk NG1 5DW
Incorporation	BWB Consulting Limited was incorporated on 21 October 2004. Registered in England and incorporated under the Companies Act 2006 as a Private Limited Company, limited by shares

BWB CONSULTING LIMITED

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BWB CONSULTING LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018**

Introduction

The principal activity of the Company is the provision of integrated engineering & environmental consulting services.

Business review

The Company has delivered another year of strong performance building on the foundations laid during previous years in conjunction with a broadening reputation in the market place. This level of performance is considered all the more impressive given the wider political backdrop surrounding the UK's decision to leave the EU and the resultant impact on the UK construction industry.

Following the recent acquisition by Construcciones y Auxiliar de Ferrocarriles (a Spanish industrial group specialising in the rail industry) integration continues at a pace whilst continuing to identify the opportunities presented by this partnership in the UK and beyond.

We have seen marginal growth in turnover over last period, whilst there has been a slight reduction in buildings orientated workload, the Company has achieved strong turnover growth in both its Environmental and Transport & Infrastructure groups with growth of 4.9% and 1.9% respectively. This is in conjunction with continued investment on diversification opportunities through the BWB Groups digital engineering subsidiary and the creation of a rail consultancy group within the Company.

Consolidated turnover for the Company amounted to £21,292,927 (FY17 - £20,996,647) with operating profits before exceptional items and amortisation of £2,173,628 (FY17 - £2,942,628).

Principal risks and uncertainties

The Company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The Company manages these risks by financing its operations through retained profits, supplemented by parent company or bank borrowing where necessary to fund expansion or capital expenditure programmes.

Managements objective is to retain sufficient liquid funds to enable the group to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of external borrowing with the future cash flows expected to arise from the company's trading activities.

The UK's decision to leave the European Union presents a risk to the Company due to the effect this has on the confidence within the UK construction market. Management continue to monitor closely the opportunity pipeline to ensure it can react to any challenges that may arise as a result.

BWB CONSULTING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

Financial key performance indicators

The Company utilises a suite of financial KPI's to monitor performance and facilitate strategic planning and decision making, a discipline which is widely adopted within operating teams of the company.

The primary financial KPI's used in the day to day performance monitoring of the business are fee income growth, gross margin, operating profit, pipeline growth, project profitability, debtor and creditor days.

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



M Pearce
Director

Date: 24 October 2018

BWB CONSULTING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2018**

The Directors present their report and the financial statements for the year ended 31 July 2018.

Directors' responsibilities statement

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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 period.

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

- select suitable accounting policies for the Company's financial statements 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,883,305 (2017 - £2,639,713).

Directors

The Directors who served during the year were:

T D Loveridge
G Nicholson
M Pearce
D Hollingsworth
A Passmore
S Zalega

Future developments

The company aims to further consolidate its position through continued growth in both new & existing territories and market sectors with a particular focus on the rail sector. The company will continue to drive technological advancement through its specialist digital group subsidiary company.

BWB CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

Employee involvement

The Company has a culture of continuous improvement through investment in people at all levels. The Company is committed to pursuing equality and diversity in all its employment activities including recruitment, training, career development and promotion.

Matters covered in the strategic report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out certain information in the Strategic Report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Disclosure of information to auditor

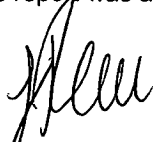
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

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



M Pearce
Director

Date: 24 October 2018

BWB CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BWB CONSULTING LIMITED

Opinion

We have audited the financial statements of BWB Consulting Limited (the 'Company') for the year ended 31 July 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and note 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 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; 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 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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BWB CONSULTING 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BWB CONSULTING LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Alstair Wesson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 26 October 2018

BWB CONSULTING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2018**

	Note	2018 £	2017 £
Turnover	4	21,292,927	20,996,647
Cost of sales		(13,790,056)	(13,338,080)
Gross profit		<u>7,502,871</u>	<u>7,658,567</u>
Administrative expenses		(5,445,366)	(4,856,310)
Exceptional administrative expenses		(34,105)	(99,123)
Operating profit	5	<u>2,023,400</u>	<u>2,703,134</u>
Interest receivable and similar income	8	9,495	2,468
Interest payable and expenses	9	(41,284)	(66,739)
Profit before tax		<u>1,991,611</u>	<u>2,638,863</u>
Tax on profit	10	(108,306)	850
Profit for the financial year		<u>1,883,305</u>	<u>2,639,713</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>1,883,305</u>	<u>2,639,713</u>

The notes on pages 11 to 28 form part of these financial statements.

BWB CONSULTING LIMITED
REGISTERED NUMBER: 05265863

BALANCE SHEET
AS AT 31 JULY 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	385,050	613,071
Tangible assets	14	601,086	494,315
		<u>986,136</u>	<u>1,107,386</u>
Current assets			
Debtors	15	9,718,334	8,975,898
Cash at bank and in hand	16	836,505	1,063,672
		<u>10,554,839</u>	<u>10,039,570</u>
Creditors: Amounts falling due within one year	17	(4,844,274)	(5,953,414)
Net current assets		<u>5,710,565</u>	<u>4,086,156</u>
Total assets less current liabilities		<u>6,696,701</u>	<u>5,193,542</u>
Creditors: Amounts falling due after more than one year	18	(1,825)	(65,815)
Provisions for liabilities			
Deferred tax	20	-	(16,156)
Other provisions	21	(250,000)	(550,000)
		<u>(250,000)</u>	<u>(566,156)</u>
Net assets		<u><u>6,444,876</u></u>	<u><u>4,561,571</u></u>
Capital and reserves			
Called up share capital	22	5,743	5,743
Share premium account		51,687	51,687
Profit and loss account		6,387,446	4,504,141
		<u>6,444,876</u>	<u>4,561,571</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M Pearce
 Director

Date: 24 October 2018

The notes on pages 11 to 28 form part of these financial statements.

BWB CONSULTING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018**

	Called up share capital £	Share Premium Account £	Profit and Loss Account £	Total equity £
At 1 August 2017	5,743	51,687	4,504,141	4,561,571
Total comprehensive income for the year				
Profit for the year	-	-	1,883,305	1,883,305
Other comprehensive income for the year	-	-	-	-
At 31 July 2018	<u>5,743</u>	<u>51,687</u>	<u>6,387,446</u>	<u>6,444,876</u>

The notes on pages 11 to 28 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2017**

	Called up share capital £	Share Premium Account £	Profit and Loss Account £	Total equity £
At 1 August 2016	5,743	51,687	4,254,428	4,311,858
Total comprehensive income for the year				
Profit for the year	-	-	2,639,713	2,639,713
Other comprehensive income for the year	-	-	-	-
Dividends: Equity capital	-	-	(2,390,000)	(2,390,000)
At 31 July 2017	<u>5,743</u>	<u>51,687</u>	<u>4,504,141</u>	<u>4,561,571</u>

Description of Reserves**Profit and Loss Account**

The Profit and Loss Account represents cumulative profits and losses of the Company.

Share Premium

The Share Premium Account is a non-distributable reserve and represents the amount above the nominal value received for shares sold, less any transaction costs associated with the issuing of shares.

The notes on pages 11 to 28 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. General information

BWB Consulting Limited presents its financial statements for the year ended 31 July 2018. The presentational currency for the financial statements is Pounds Sterling (£). The Company is limited by shares and is registered in England. Its registered office address is 5th Floor, Waterfront House, Station Street, Nottingham, NG2 3DQ.

The principal activity for the current and preceding year was that of multi-disciplinary engineering consultancy services.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company is included in the consolidated financial statements of its parent undertaking, BWB Holdings Limited. Note 27 provide full details of where those consolidated financial statements may be obtained from.

In preparing the financial statements, the Company has taken the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures';
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 'Statement of Financial Position'; and
- from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.

On the basis that equivalent disclosures are given in the consolidated financial statements, the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

2.2 Going concern

The accounts have been prepared on a going concern basis. Having carried out a detailed review of the Company's resources and the challenges presented by the current economic climate, the Directors are satisfied that the Company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible fixed assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to profit and loss over its useful economic life of 10 years.

2.5 Tangible fixed assets

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following methods.

Depreciation is provided on the following basis:

Leasehold improvements	- 20% straight line or lease term if shorter
Motor vehicles	- 25% straight line
Office equipment	- 20% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.9 Contract work in progress

In accordance with Section 23 of FRS 102 - "Revenue Recognition", amounts recoverable on contracts, which are included in debtors, are stated at cost less progress payments receivable plus an appropriate amount of profit in the case of long term contracts.

Provisions are made for contingencies and losses incurred or anticipated in bringing contracts to completion.

For contracts where progress payments exceed the book value of work done, the excess is included in creditors as payments on account.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors. The Company has chosen to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

Financial assets - Classified as basic instruments

Financial assets are defined as cash or any asset from another entity, or a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The only category of financial asset held by the Company include trade debtors, amounts owed by group undertakings, employee loans and amounts recoverable on long term contracts.

Debtors are assets with fixed or determinable payments that are not quoted on an active market, other than those that are categorised as financial assets at transaction value through profit and loss. These are initially recognised at the transaction price. At each Balance Sheet date, they are subsequently measured at amortised cost, with interest income recognised to the profit and loss using the effective interest method.

Financial liabilities - Classified as basic instruments

Financial liabilities are defined as any liability that is contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. Financial liabilities held by the Company includes trade creditors, amounts owed to group undertakings and finance leases. Interest charges are recognised in the profit and loss using the effective interest method. The only category of financial liability held by the Company is those measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

2.14 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Operating leases

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

2.17 Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks 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.

2.18 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.19 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 revision and future periods if the revision affects both current and future.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Recognition of revenue - Long term contracts:

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by our client. Full provision is made for losses on loss making contracts in the year in which they are first foreseen.

Useful economic lives of intangible and tangible fixed assets

The annual amortisation/depreciation charge for intangible/tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Accounting Policy Note 2.4, 2.5 and 2.6 for the useful economic lives for each class of assets.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Rendering of services	21,292,927	20,996,647
	<u>21,292,927</u>	<u>20,996,647</u>

All turnover arose within the United Kingdom.

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	265,133	270,688
Amortisation of intangible assets, including goodwill	116,123	140,371
Fees payable to the Company's auditor and its associated for the audit of the Company's annual financial statements	29,950	26,250
Fees payable to the Company's auditor and its associates in respect of:		
- Accountancy fees	5,855	3,095
- Taxation services	8,150	4,630
- Other services	-	-
Exchange differences	275	49
Other operating lease rentals	626,871	682,379
Defined contribution pension cost	671,579	512,945

The audit fee, and other fees payable to the external auditors, disclosed above represent the fees payable for the audit of the BWB Holdings group in the UK.

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	10,946,953	9,481,523
Social security costs	1,143,375	984,810
Cost of defined contribution scheme	671,579	512,945
	<u>12,761,907</u>	<u>10,979,278</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2018 No.	2017 No.
Administrative staff	42	38
Management staff	46	42
Technical staff	189	173
	<u>277</u>	<u>253</u>

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	459,485	213,622
Company contributions to defined contribution pension schemes	40,446	25,254
	<u>499,931</u>	<u>238,876</u>

During the year retirement benefits were accruing to 4 Directors (2017 - 4) in respect of defined contribution pension schemes.

8. Interest receivable

	2018 £	2017 £
Other interest receivable	9,495	2,468
	<u>9,495</u>	<u>2,468</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	875	694
Other loan interest payable	18,768	23,978
Finance leases and hire purchase contracts	21,641	42,067
	<u>41,284</u>	<u>66,739</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	146,961	-
Adjustments in respect of previous periods	-	(17,006)
	<u>146,961</u>	<u>(17,006)</u>
Total current tax	<u>146,961</u>	<u>(17,006)</u>
Deferred tax		
Origination and reversal of timing differences	(38,655)	16,156
Total deferred tax	<u>(38,655)</u>	<u>16,156</u>
Taxation on profit on ordinary activities	<u>108,306</u>	<u>(850)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.67%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,991,611</u>	<u>2,638,863</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.67%)	379,365	519,064
Effects of:		
Expenses not deductible for tax purposes	21,929	55,061
Adjustments to tax charge in respect of prior periods	-	(17,006)
Changes in provisions leading to an increase (decrease) in the tax charge	(40,564)	(1,979)
Other permanent differences	-	(477,771)
Group relief claimed	(252,424)	(78,219)
Total tax charge for the year	<u>108,306</u>	<u>(850)</u>

Factors that may affect future tax charges

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

10. Taxation (continued)

The main factor to consider is the decrease in tax rate. For large companies the corporation tax rate is 20% for accounting periods from 1 April 2015, however, it has been proposed in the July budget 2015 that the tax rate is set to continue to decrease to 18% by 2020.

11. Dividends

	2018 £	2017 £
Dividends	-	2,390,000
	<u>-</u>	<u>2,390,000</u>

12. Exceptional items

	2018 £	2017 £
Exceptional items	34,105	99,123
	<u>34,105</u>	<u>99,123</u>

The Company classifies certain one off charges that have an impact on the Company's financial performance as exceptional items.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

13. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 August 2017	417,273	573,688	990,961
Additions	47,824	-	47,824
Disposals	(15,000)	(150,000)	(165,000)
At 31 July 2018	<u>450,097</u>	<u>423,688</u>	<u>873,785</u>
Amortisation			
At 1 August 2017	312,908	64,982	377,890
Charge for the year	58,772	57,351	116,123
On disposals	(5,278)	-	(5,278)
At 31 July 2018	<u>366,402</u>	<u>122,333</u>	<u>488,735</u>
Net book value			
At 31 July 2018	<u>83,695</u>	<u>301,355</u>	<u>385,050</u>
At 31 July 2017	<u>104,365</u>	<u>508,706</u>	<u>613,071</u>

None of the above intangible assets have been internally generated.

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

14. Tangible fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 August 2017	563,116	379,155	517,598	1,459,869
Additions	148,361	82,519	159,129	390,009
Disposals	(57,232)	(29,600)	(5,395)	(92,227)
At 31 July 2018	<u>654,245</u>	<u>432,074</u>	<u>671,332</u>	<u>1,757,651</u>
Depreciation				
At 1 August 2017	376,347	228,232	360,975	965,554
Charge for the year on owned assets	87,378	56,643	121,112	265,133
Disposals	(57,232)	(15,413)	(1,477)	(74,122)
At 31 July 2018	<u>406,493</u>	<u>269,462</u>	<u>480,610</u>	<u>1,156,565</u>
Net book value				
At 31 July 2018	<u>247,752</u>	<u>162,612</u>	<u>190,722</u>	<u>601,086</u>
At 31 July 2017	<u>186,769</u>	<u>150,923</u>	<u>156,623</u>	<u>494,315</u>

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Leasehold improvements	<u>247,752</u>	<u>186,769</u>
	<u>247,752</u>	<u>186,769</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Assets held under finance lease	<u>62,531</u>	<u>161,574</u>
	<u>62,531</u>	<u>161,574</u>

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

15. Debtors

	2018 £	2017 £
Trade debtors	4,526,913	4,345,631
Amounts owed by group undertakings	3,593,641	3,131,224
Other debtors	565	158,825
Prepayments and accrued income	642,025	552,902
Amounts recoverable on long term contracts	932,691	787,316
Deferred taxation	22,499	-
	<u>9,718,334</u>	<u>8,975,898</u>

Included in amounts owed to group undertakings is a loan to BWB Regeneration Limited for £2,798,798 (2017: £2,754,801), a loan to Quincey Mason Practices Limited for £548,413 (2017: £260,249), a loan to ZW01 Limited for £116,174 (2017: £116,174), a loan to CAF SA for £73,998 (2017: £Nil) and a loan to Deetu Consulting Limited for £56,259 (2017: £Nil) which are interest free and repayable on demand.

16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	836,505	1,063,672
	<u>836,505</u>	<u>1,063,672</u>

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,399,273	1,278,096
Amounts owed to group undertakings	860,219	1,847,198
Corporation tax	146,961	-
Other taxation and social security	960,558	888,108
Obligations under finance lease and hire purchase contracts	60,588	69,909
Other creditors	263,089	235,751
Accruals and deferred income	1,153,586	1,634,352
	<u>4,844,274</u>	<u>5,953,414</u>

Included in amounts owed to group undertakings is a loan from ZW01 Limited for £47,034 (2017: £47,034), a loan from Traffic and Transportation Limited for £1,000 (2017: £1,000), a loan from Construcciones y Auxiliar de Ferrocarriles S.A. for £174,571 (2017: £Nil), a loan from Regenis Limited for £117,707 (2017: £117,707), a loan from BWB Regeneration Trustee Limited for £1,500 (2017: £1,500) and a loan from EDCM Building Services Consulting Engineers Limited for £25,100 (2017: £87,450) which are interest free. Also included in amounts owed to group undertakings are amounts due to BWB Holdings Limited for £493,307 (2017: £1,592,507). Interest has been charged at 4.5% (2017: 4.5%). All amounts owed to group undertakings are repayable on demand.

Finance leases are secured against the asset to which they relate.

18. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Obligations under finance leases and hire purchase contracts	1,825	65,815
	<u>1,825</u>	<u>65,815</u>

Secured loans

Finance leases are secured against the asset to which they relate.

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

19. Finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	60,588	69,909
Between 1-2 years	1,825	65,815
	<u>62,413</u>	<u>135,724</u>

20. Deferred taxation

	2018 £
At beginning of year	(16,156)
Charged to profit or loss	38,655
At end of year	<u>22,499</u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	13,468	(26,601)
Short term timing differences	9,031	10,445
	<u>22,499</u>	<u>(16,156)</u>

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

21. Provisions

	Contingent liability £
At 1 August 2017	550,000
Charged to profit or loss	(150,000)
Utilised in year	(150,000)
At 31 July 2018	250,000

The contingent liability relates to deferred contingent consideration associated with the acquisition of EDCM Building Services Consulting Engineers Limited.

22. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
57,430 (2017: 57,430) ordinary shares of 0.10 each	5,743	5,743

The holders of Ordinary shares are entitled to one vote per share.

23. Pension commitments

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in independently administered funds. The pension cost charge of £671,579 (2017: £512,945) represents contributions payable by the Company funds. Contributions totalling £91,395 (2017: £74,048) were included within creditors at the year end and subsequently paid to the fund.

BWB CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

24. Commitments under operating leases

At 31 July 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Other		
Within 1 year	114,498	122,302
Within 1 year and not later than 5 years	112,135	179,887
	<u>226,633</u>	<u>302,189</u>
Property		
Within 1 year	439,247	504,412
Within 1 year and not later than 5 years	882,922	1,103,063
	<u>1,322,169</u>	<u>1,607,475</u>

25. Related party transactions

BWB Consulting Limited has taken the exemption contained in Section 33 of FRS 102 - "Related Party Disclosures" and therefore has not disclosed transactions or balances with entities wholly owned members of the BWB Holdings Limited group.

During the year, the following amounts were paid by the company into the self-invested personal pension of the following Directors, S Wooler £Nil (2017: £392), and G Nicholson £12,100 (2017: £7,663) in respect of the Leeds premises.

26. Post balance sheet events

Shortly after the year end the company altered it's Articles of Association to facilitate the creation, investment & valuation of the new Rail consultancy division.

27. Ultimate parent undertaking and controlling party.

The immediate parent company is BWB Holdings Limited. The ultimate parent company and controlling party is Construcciones y Auxiliar de Ferrocarriles S.A., a company incorporated in Spain.

The smallest group in which the results of the company are consolidated is BWB Holdings Limited. Copies of the consolidated financial statements of BWB Holdings Limited are available from Companies House.