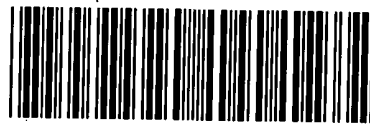


Company Registration No. 02448655 (England and Wales)

AMD ENVIRONMENTAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

SATURDAY



A18 *A7B5QNQP* #375
28/07/2018
COMPANIES HOUSE

AMD ENVIRONMENTAL LIMITED

COMPANY INFORMATION

Directors	Mr J A King Mr M G Sullivan Mr D J Pearce Mr J Gray Mr D Peachey
Company number	02448655
Registered office	Jupiter House Orbital One Green Street Green Road Dartford Kent DA1 1QG
Auditor	Ledger Sparks Audit LLP Airport House Suite 43-45 Purley Way Croydon Surrey CR0 0XZ
Business address	Jupiter House Orbital One Green Street Green Road Dartford Kent DA1 1QG

AMD ENVIRONMENTAL LIMITED

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AMD ENVIRONMENTAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2017

The directors present the strategic report and financial statements for the year ended 30 November 2017.

Fair review of the business

We are pleased to report a strong financial year, both in terms of revenue and profits, achieved through continued hard work and efficiencies. The construction industry continued to be challenging but opportunities still remained and the company achieved success in providing a 'cradle to grave' full MEP package to its core client base, as well as working with new customers and under new framework agreements.

The board were pleased with the revenue growth seen in 2017 and despite a reduction in gross margin achieved, the business efficiencies and control continued to be working effectively.

Overheads remain consistent with previous activity and the growth of gross profit has produced satisfactory net profit levels. The board are pleased with the delivery of several significant, complex and challenging projects during 2017, which have extended the company's reputation and standing within its market place and product offering.

During the year the company suffered minor losses in respect of the demise of Carillion PLC, which have been provided in full. Whilst these losses are disappointing the board are satisfied that the position was managed as best as possible

The business has seen a positive start in financial year 2018 and is forecasting revenue levels of that currently. Gross profit and overheads continue to be closely monitored and the board continue to strive to improve business and financial performance.

The market remains competitive and regionally, work streams in London and the South-East continue to be most attractive. Growth has been seen in new frameworks and the company continues to exploit its technical capability and expertise.

Revenue streams from Critical Resilience projects have gathered momentum and the company is currently working on several significant projects, which is encouraging. Core frameworks and relationships remain strong and the company continues to gain experience and capability within new revenue streams such as Energy Lifecycle Management.

Our FM and Special Works Section has continued to prove a challenging revenue stream in an extremely competitive sector. Recent restructuring and the acquisition of key new talent will allow the department to strategize and development of the products, services and delivery of the work stream. New 'pilot' schemes are currently being run, which it is hoped will be a success and provided new conceptual offerings to new and existing clients

AMD ENVIRONMENTAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

Principal risks and uncertainties

The principal risks of the business lie primarily within the risks associated within the construction industry and can be attributed to 'Operational Risk' which are the risks associated with our day to day operations on site, as well as 'Financial Risk' which are potentially both operational and commercial.

We have strict process controls in place to monitor both the commercial and financial risks. We also reduce our exposure to 'risk' by working with strategic partners and also by regularly running credit checks on our customers, as well as our suppliers.

In order to further mitigate and reduce risk, we continue to grow of portfolio of services offered as well as extending our customer base. This allows us to further dilute risk and helps with our continued growth.

Risk from 'Health and Safety' perspective continue to be monitored and measured by our Health & Safety Manager, any issues are dealt with swiftly and effectively. It is important for all company personnel to be aware of the management structure within the company with specific duties and responsibilities for Health & Safety.

The company continually monitors the impact of Brexit, and whilst the business does not carry on any trade within any European territories, there remains an underlying uncertainty what impact Brexit will have on its key customers and end users. We currently do not envisage any material impact on the current business model, however with the current political volatility, there is always an element of uncertainty.

The company does not trade in any foreign currency whatsoever, nor hold any foreign currency on account.

Ability to attract and retain high-calibre employees

The business continued to enjoy the ability to attract new, and retain existing, staff within. The business location, its links to the motorway network and national rail links has continued to enable the business to reach more geographical talent pools and expertise.

We run an annual appraisal system, during which we encourage both the employee and employer to engage in the company progression and to measure how the employee's contribution fits in with the business goals and forecasts. During appraisals we set specific targets and goals for employees.

The recruitment process is crucial to the business and is constantly developing to ensure that the right personnel are introduced to the company.

Material costs and availability of specialist sub-contractors

Our internal database containing vital information about suppliers and sub-contractors has now fully operational and is running well, and this continues to be an asset to the business. It's update and evolution continues to develop to adapt to new and existing work streams. Our bi-weekly 'Operations Meeting' as well as monthly 'Trading Reviews' continues in which we analyse and review the performance of each contract as well as the supply chain members. Any potential resource gaps are highlighted and continually monitored, with issues proactively addressed.

Information technology and business continuity

AMD use a range of information technology and decision support systems across the business for efficient processing of orders, control procedures and financial management. These systems are constantly reviewed and updated to meet the needs of the company.

Business continuity and disaster recovery planning is regularly assessed and tested with our IT Manager. As part of the business relocation, a UPS system has now been provided to the servers, cloud based server backup has been introduced, as well as backup phone lines and internet connections are all in place to ensure the company is adequately resourced and maintains an appropriately robust environment including preventative processes on cybercrime.

AMD ENVIRONMENTAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

Development and performance

Customer credit risk

As part of the overall package, AMD provides credit to each of its customers and as a result there is an associated risk that the customer may not be able to pay outstanding debt. The business has established a number of procedures and credit control policies around managing its receivables and takes action when and where necessary. All major outstanding and overdue balances together with significant potential exposures are reviewed regularly and concerns are discussed at monthly meetings. Control systems are in place to ensure that authorisation requests are supported with appropriate and sufficient documentation and are approved at appropriate levels in the organisation.

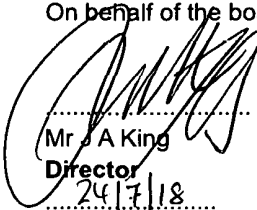
Key performance indicators

For the year ended 30 November 2017 underlying profit before tax increased to £2,237,133 (2016: £1,394,153) with turnover of £20,182,583 (2016: £12,984,374) and the board considered the results to be in line with its expectations.

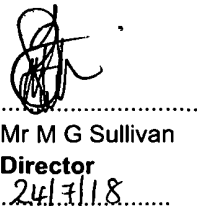
Key features of our business performance during the year included the following:-

- Revenue increased £7,198,209 from 2016, 55%
- Gross margins decreased from 23% in 2016 to 19%
- Overheads increased £46,649 from 2016
- Net profit increased £842,980 (60%) from 2016
- Our diverse specialist Engineering Services offering has resulted in us further enhancing our market position and increased market share.
- Proactive customer service, quality delivery performance and selective tendering focus were key performance drivers that assisted to enhance existing relationships with repeat business as well as create new client diversification opportunities.

On behalf of the board



.....
Mr J A King
Director
24.7.18.....



.....
Mr M G Sullivan
Director
24.7.18.....

AMD ENVIRONMENTAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2017

The directors present their annual report and financial statements for the year ended 30 November 2017.

Principal activities

The principal activity of the company continued to be that of the design, supply and installation of full MEP services.

Directors

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

Mr J A King
Mr M G Sullivan
Mr D J Pearce
Mr J Gray
Mr D Peachey

Results and dividends

The results for the year are set out on page 8.

AMD Environmental Limited paid an interim dividend of £551,035 (2016: £613,086) and a final dividend of £1,140,100 (2016: £497,837)

Future developments

The business continues to innovate and evolve with the ever changing environments in which it operates. Where technological, energy or operational advancements can be exploited these are explored, developed and implemented to 'future proof' the work carried out and AMD's position within the market place. The company sees itself at the technological forefront of its industry and strives to continually improve the services and products it provides.

Auditor

Ledger Sparks Audit LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

AMD ENVIRONMENTAL LIMITED

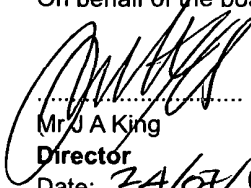
DIRECTORS' REPORT (CONTINUED)


FOR THE YEAR ENDED 30 NOVEMBER 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
Mr J A King
Director
Date: 24/07/18


.....
Mr M G Sullivan
Director
Date: 24/7/18

AMD ENVIRONMENTAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMD ENVIRONMENTAL LIMITED

Opinion

We have audited the financial statements of AMD Environmental Limited (the 'company') for the year ended 30 November 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 November 2017 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.

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 our 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.

AMD ENVIRONMENTAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AMD ENVIRONMENTAL LIMITED

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 and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.


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

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.

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.



**Roberto Colepe FCCA (Senior Statutory Auditor)
for and on behalf of Ledger Sparks Audit LLP
Statutory Auditor**

25/7/18.....

Airport House
Suite 43-45 Purley Way
Croydon
Surrey
CR0 0XZ

AMD ENVIRONMENTAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	20,182,583	12,984,374
Cost of sales		(16,292,379)	(9,986,440)
Gross profit		3,890,204	2,997,934
Administrative expenses		(1,655,834)	(1,609,185)
Operating profit	4	2,234,370	1,388,749
Interest receivable and similar income	7	2,854	5,404
Interest payable and similar expenses		(91)	-
Profit before taxation		2,237,133	1,394,153
Tax on profit	8	(447,114)	(291,855)
Profit for the financial year		1,790,019	1,102,298

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There have been no recognised gains or losses during the year or for the previous year other than the results above.

The company has no other items of comprehensive income in any of the periods for which the financial statements are represented. As such no separate statement of other comprehensive income is presented.

The notes on pages 12 to 24 form part of these financial statements.

AMD ENVIRONMENTAL LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	10		42,861		68,174
Current assets					
Stocks	12	1,000		1,000	
Debtors	14	5,368,224		2,825,209	
Cash at bank and in hand		3,694,559		4,801,218	
		<u>9,063,783</u>		<u>7,627,427</u>	
Creditors: amounts falling due within one year	15	<u>(5,843,498)</u>		<u>(4,526,319)</u>	
Net current assets			<u>3,220,285</u>		<u>3,101,108</u>
Total assets less current liabilities			<u>3,263,146</u>		<u>3,169,282</u>
Provisions for liabilities	16		<u>(7,027)</u>		<u>(12,047)</u>
Net assets			<u><u>3,256,119</u></u>		<u><u>3,157,235</u></u>
Capital and reserves					
Called up share capital	19		230		230
Profit and loss reserves	20		3,255,889		3,157,005
Total equity			<u><u>3,256,119</u></u>		<u><u>3,157,235</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24/7/18 and are signed on its behalf by:



 Mr S A King
 Director



 Mr M G Sullivan
 Director

Company Registration No. 02448655

The notes on pages 12 to 24 form part of the financial statements

AMD ENVIRONMENTAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 December 2015		204	2,973,776	2,973,980
Year ended 30 November 2016:				
Profit and total comprehensive income for the year		-	1,102,298	1,102,298
Issue of share capital	19	26	-	26
Dividends	9	-	(1,110,923)	(1,110,923)
Credit to equity for equity settled share-based payments		-	191,854	191,854
Balance at 30 November 2016		230	3,157,005	3,157,235
Year ended 30 November 2017:				
Profit and total comprehensive income for the year		-	1,790,019	1,790,019
Dividends	9	-	(1,691,135)	(1,691,135)
Balance at 30 November 2017		230	3,255,889	3,256,119

AMD ENVIRONMENTAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,379,425		3,669,996	
Interest paid		(91)		-	
Income taxes paid		(442,059)		(511,000)	
Net cash inflow from operating activities		<u>937,275</u>		<u>3,158,996</u>	
Investing activities					
Purchase of tangible fixed assets		(9,972)		(9,582)	
Proceeds from other investments and loans		(345,681)		-	
Interest received		2,854		5,404	
Net cash used in investing activities		<u>(352,799)</u>		<u>(4,178)</u>	
Financing activities					
Proceeds from issue of shares		-		26	
Dividends paid		(1,691,135)		(1,110,923)	
Net cash used in financing activities		<u>(1,691,135)</u>		<u>(1,110,897)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(1,106,659)</u>		<u>2,043,921</u>	
Cash and cash equivalents at beginning of year		4,801,218		2,757,297	
Cash and cash equivalents at end of year		<u><u>3,694,559</u></u>		<u><u>4,801,218</u></u>	

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

Company information

AMD Environmental Limited is a private company limited by shares incorporated in England and Wales. The registered office is Jupiter House, Orbital One, Green Street Green Road, Dartford, Kent, DA1 1QG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised for services provided in the normal course of business, and is shown net of VAT and trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% Reducing balance
Motor vehicles	25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover analysed by class of business		
Revenue	20,182,583	12,984,374
	<u> </u>	<u> </u>
	2017	2016
	£	£
Other significant revenue		
Interest income	2,854	5,404
	<u> </u>	<u> </u>

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

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging:		
Exchange losses	91	247
Fees payable to the company's auditor for the audit of the company's financial statements	15,600	15,600
Depreciation of owned tangible fixed assets	10,715	17,230
Loss on disposal of tangible fixed assets	24,570	-
Cost of stocks recognised as an expense	6,352,443	3,092,318
Share-based payments	-	191,854
Operating lease charges	110,765	113,046
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £91 (2016 - £247).

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Engineers	32	31
Administration	14	11
	<u>46</u>	<u>42</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	2,270,155	2,074,285
Social security costs	230,653	209,825
Pension costs	145,911	122,520
	<u>2,646,719</u>	<u>2,406,630</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	181,905	44,000
Company pension contributions to defined contribution schemes	124,760	100,000
	<u>306,665</u>	<u>144,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2016 - 4).

The number of directors who exercised share options during the year was 0 (2016 - 1).

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	2,854	5,404
	<u>2,854</u>	<u>5,404</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	2,854	5,404
	<u>2,854</u>	<u>5,404</u>

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	452,134	293,036
Deferred tax		
Origination and reversal of timing differences	(5,020)	(1,181)
Total tax charge	447,114	291,855

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	2,237,133	1,394,153
Expected tax charge based on the standard rate of corporation tax in the UK of 19.33% (2016: 20.00%)	432,471	278,831
Tax effect of expenses that are not deductible in determining taxable profit	19,795	13,024
Permanent capital allowances in excess of depreciation	(132)	1,181
Other non-reversing timing differences	(5,020)	(1,181)
Taxation charge for the year	447,114	291,855

9 Dividends

	2017 £	2016 £
Final paid	1,140,100	497,837
Interim paid	551,035	613,086
	1,691,135	1,110,923

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

10 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 December 2016	207,782	26,015	233,797
Additions	9,972	-	9,972
Disposals	(138,305)	(26,015)	(164,320)
At 30 November 2017	79,449	-	79,449
Depreciation and impairment			
At 1 December 2016	141,848	23,775	165,623
Depreciation charged in the year	10,715	-	10,715
Eliminated in respect of disposals	(115,975)	(23,775)	(139,750)
At 30 November 2017	36,588	-	36,588
Carrying amount			
At 30 November 2017	42,861	-	42,861
At 30 November 2016	65,934	2,240	68,174

11 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,902,783	1,484,712
Carrying amount of financial liabilities		
Measured at amortised cost	5,491,538	3,887,729

12 Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,000	1,000

13 Construction contracts

	2017 £	2016 £
Contracts in progress at the reporting date		
Gross amounts due from contract customers included in debtors	3,433,435	1,309,618
Gross amounts due to contract customers included in creditors	(1,949,327)	(1,239,695)

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

14 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	1,557,102	1,438,012
Gross amounts due from contract customers	3,433,435	1,309,618
Other debtors	345,681	46,700
Prepayments and accrued income	32,006	30,879
	<u>5,368,224</u>	<u>2,825,209</u>

The directors consider the carrying value of trade and other receivables approximate to their fair values.

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	3,213,017	2,165,109
Gross amounts due to contract customers	1,949,327	1,239,695
Corporation tax	133,958	123,883
Other taxation and social security	218,002	514,707
Other creditors	701	328,498
Accruals and deferred income	328,493	154,427
	<u>5,843,498</u>	<u>4,526,319</u>

The directors consider the carrying amounts of current liabilities approximate to their fair values.

16 Provisions for liabilities

	Notes	2017	2016
		£	£
Deferred tax liabilities	17	<u>7,027</u>	<u>12,047</u>

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017	Liabilities 2016
	£	£
Balances:		
Accelerated capital allowances	<u>7,027</u>	<u>12,047</u>

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

17 Deferred taxation (Continued)

	2017
	£
Movements in the year:	
Liability at 1 December 2016	12,047
Credit to profit or loss	(5,020)
Liability at 30 November 2017	<u>7,027</u>

The deferred tax liability set out above is expected to reverse within the next accounting period and relates to accelerated capital allowances that are expected to mature within the same period.

18 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>145,911</u>	<u>122,520</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	100	100
86 A Ordinary shares of £1 each	86	86
2 B Ordinary shares of £1 each	2	2
1 C Ordinary shares of £1 each	1	1
1 D Ordinary shares of £1 each	1	1
14 E Ordinary shares of £1 each	14	14
26 F Ordinary shares of £1 each	26	26
	<u>230</u>	<u>230</u>

The different classes of shares are not ranked pari passu in terms of voting rights and dividends.

20 Profit and loss reserves

Profit and Loss account - this reserve records retained earnings and accumulated losses.

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	108,126	109,646
Between two and five years	395,545	408,402
In over five years	205,333	205,333
	<u>709,004</u>	<u>723,381</u>

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods	
	2017 £	2016 £
Proactive Engineering Consultants Limited -A company with common shareholder and director	51,586	404,229

The company's office premises are leased from the Amdail Pension Scheme - a self administered pension scheme for the benefit of J. King and the Tower Pension Trustees Limited - a self administered pension scheme for the benefit of M. Sullivan, J. Gray and D. Pearce. The rental payments made during the year was £88,000 (2016: £88,000).

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Other related parties	-	327,513

'Other related parties' as above include the directors. Loan from directors are unsecured, interest free and repayable on demand.

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

22 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2017
	Balance
	£
Amounts owed by related parties	
Other related parties	345,681
	<u> </u>
	<u> </u>
	2016
	Balance
	£
Amounts owed in previous period	
Proactive Engineering Consultants Limited -A company with common shareholder and director	209,147
	<u> </u>
	<u> </u>

'Other related parties' as above include the directors. Loan to directors are unsecured, interest free and repayable within nine months.

23 Directors' transactions

The following amounts were outstanding at the reporting end date:

Dividends totalling £1,691,135 (2016 - £1,110,923) were paid in the year in respect of shares held by the company's directors.

24 Controlling party

From 30 August 2016 and during the period, the company was controlled by J A King and M G Sullivan by virtue of equal shareholding.

AMD ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

25 Cash generated from operations

	2017	2016
	£	£
Profit for the year after tax	1,790,019	1,102,298
Adjustments for:		
Taxation charged	447,114	291,855
Finance costs	91	-
Investment income	(2,854)	(5,404)
Loss on disposal of tangible fixed assets	24,570	-
Depreciation and impairment of tangible fixed assets	10,715	17,230
Equity settled share based payment expense	-	191,854
Movements in working capital:		
(Increase)/decrease in debtors	(2,197,334)	2,457,655
Increase/(decrease) in creditors	1,307,104	(385,492)
Cash generated from operations	<u>1,379,425</u>	<u>3,669,996</u>