

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Financial Statements

For the Year Ended 30 September 2021

AECOM Consulting Services (NZ) Limited

Inc No: 40069

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For the Year Ended 30 September 2021

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AECOM Consulting Services (NZ) Limited

Inc No: 40069

Reporting by Directors

For the Year Ended 30 September 2021

The directors present their report on AECOM Consulting Services (NZ) Limited for the financial year ended 30 September 2021.

| | |
|-----------------------------|--|
| Nature of Business | Engineering, environmental services, planning and design, systems engineering and technical assistance, program and construction management, operation and maintenance services. |
| Business Location | 8 Mahuhu Crescent AUCKLAND 1010 |
| Registered Office | 8 Mahuhu Crescent AUCKLAND 1010 |
| Incorporation Number | 40069 |
| IRD Number | 34-179-190 |
| Directors | Richard Barrett Donald Davidson |
| Auditors | Ernst & Young Level 51 111 Eagle Street BRISBANE QLD 4000 AUSTRALIA |
| Bankers | HSBC Level 9, 1 Queen Street AUCKLAND 1010 |
| Solicitors | Hesketh Henry Level 14 PWC Tower 188 Quay Street AUCKLAND 1010 |
| Shareholders | URS Asia Pacific Pty Ltd - 1,318,302 ordinary shares |

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Reporting by Directors

For the Year Ended 30 September 2021

Annual Report

The Directors present the annual report including the financial statements of the Company for the year ended 30 September 2021 and the auditors' report thereon.

The shareholders of the Company have exercised their rights under Section 211(3) of the *Companies Act 1993* whereby pursuant to a decision of the Shareholders of the Company who together had at least 95% of the voting shares, they have agreed not to comply with certain paragraphs (a) and (e) to (j) of Section 211(1) or Section 211(2) of the Act.

Future Developments and Results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Signed for and on behalf of the Board by:



Richard Barrett
Director



Donald Davidson
Director

Dated: 17 December 2021

Dated: 17 December 2021

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2021

| | | 2021 | 2020 |
|---|------|----------------|------------------|
| | Note | \$ | \$ |
| Revenue | 5(a) | 8,801,365 | 11,362,186 |
| Other income | 5(b) | 94 | 3,001,846 |
| Expenses | 6(a) | (8,515,158) | (10,948,388) |
| Finance costs | 6(b) | - | (93) |
| Profit before income tax | | 286,301 | 3,415,551 |
| Income tax benefit / (expense) | 7 | 3,486 | (205,937) |
| Profit and total comprehensive income for the year | | 289,787 | 3,209,614 |

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Statement of Financial Position As At 30 September 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 9 | 8,256,341 | 7,782,929 |
| Trade and other receivables | 10 | 1,232,623 | 2,177,219 |
| Contract assets | 11 | 33,846 | 11,720 |
| Other assets | 12 | 1,552 | 7,412 |
| TOTAL CURRENT ASSETS | | 9,524,362 | 9,979,280 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 13 | - | 599 |
| Deferred tax assets | 7 | 596,750 | 555,089 |
| TOTAL NON-CURRENT ASSETS | | 596,750 | 555,688 |
| TOTAL ASSETS | | 10,121,112 | 10,534,968 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 1,122,307 | 1,837,929 |
| Contract liabilities | 11 | 252,143 | 92,792 |
| Employee entitlements | 15 | 601,450 | 582,597 |
| Provisions | 16 | 80,500 | 175,000 |
| Income tax payable | | 24,127 | 97,706 |
| TOTAL CURRENT LIABILITIES | | 2,080,527 | 2,786,024 |
| NON-CURRENT LIABILITIES | | | |
| Employee entitlements | 15 | 2,653 | 1,790 |
| TOTAL NON-CURRENT LIABILITIES | | 2,653 | 1,790 |
| TOTAL LIABILITIES | | 2,083,180 | 2,787,814 |
| NET ASSETS | | 8,037,932 | 7,747,154 |
| EQUITY | | | |
| Issued capital | 17 | 1,318,302 | 1,318,302 |
| Equity contribution | | 805,626 | 804,635 |
| Retained earnings | | 5,914,004 | 5,624,217 |
| TOTAL EQUITY | | 8,037,932 | 7,747,154 |

Signed for and on behalf on the Board:



Richard Barrett
Director

Dated: 17 December 2021



Donald Davidson
Director

Dated: 17 December 2021

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Statement of Changes in Equity For the Year Ended 30 September 2021

| | Note | Issued Capital \$ | Contributed Equity \$ | Retained Earnings \$ | Total \$ |
|--|-------------|----------------------------------|--------------------------------------|-------------------------------------|---------------------|
| Balance at 1 October 2019 | | 1,318,302 | 798,868 | 2,414,603 | 4,531,773 |
| Profit and total comprehensive profit for the year | | - | - | 3,209,614 | 3,209,614 |
| Share based payment transactions | 21 | - | 5,767 | - | 5,767 |
| Balance at 30 September 2020 | | 1,318,302 | 804,635 | 5,624,217 | 7,747,154 |
| Balance at 1 October 2020 | | 1,318,302 | 804,635 | 5,624,217 | 7,747,154 |
| Profit and total comprehensive profit for the year | | - | - | 289,787 | 289,787 |
| Share based payment transactions | 21 | - | 991 | - | 991 |
| Balance at 30 September 2021 | | 1,318,302 | 805,626 | 5,914,004 | 8,037,932 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Statement of Cash Flows

For the Year Ended 30 September 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|-------------------------|------------------|
| CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES: | | | |
| Receipts from customers | | 10,076,088 | 16,538,907 |
| Payments to suppliers | | (2,839,627) | (3,099,200) |
| Payment to employees | | (6,437,195) | (8,147,109) |
| Interest received | | 18,948 | 3,740 |
| Income tax paid | | (108,927) | (1,650,472) |
| Goods and services tax paid | | (235,875) | (478,034) |
| Net cash provided by operating activities | 20 | <u>473,412</u> | <u>3,167,832</u> |
| CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES: | | | |
| Net cash provided by investing activities | | <u>-</u> | <u>-</u> |
| CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES: | | | |
| Net cash used in financing activities | | <u>-</u> | <u>-</u> |
| Net decrease in cash and cash equivalents held | | 473,412 | 3,167,832 |
| Cash and cash equivalents at beginning of year | | <u>7,782,929</u> | <u>4,615,097</u> |
| Cash and cash equivalents at end of financial year | 9 | <u>8,256,341</u> | <u>7,782,929</u> |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

AECOM Consulting Services (NZ) Limited

ICN: 40069

Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

1 Corporate Information

AECOM Consulting Services (NZ) Limited (the "Company") is incorporated, and domiciled, in New Zealand.

The financial statements of the Company for the year ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors on 17 December 2021.

The nature of the operations and principal activities of the Company is that of engineering, planning and project management consultancy services.

2 Statement of Compliance and Basis of Preparation

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR). The Company is eligible to report in accordance with NZ IFRS RDR on the basis that it does not have public accountability and is not a large public sector entity.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and the requirements of the Companies Act 1993. For the purposes of complying with NZ GAAP the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars rounding to the nearest dollar. The financial statements provide comparative information in respect of the previous period.

Fiscal Year

The Company reports results of operations based on 52 or 53 week periods ending on the Friday nearest September 30. For clarity of presentation, all periods are presented as if the year ended on September 30. Fiscal year 2021 contained 52 weeks and ended on 1 October September. Fiscal year 2020 contained 53 weeks and ended on 2 October.

3 Significant Accounting Estimates and Assumptions

j) Significant Accounting Estimates and Assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provision for Professional Indemnity Claims

A provision for professional indemnity claims is recognised in excess of the professional indemnity insurance cover based on probability of a liability arising and current information about the professional claims experience.

Contract Assets and Contract Liabilities

Assumptions are made in relation to the percentage of completion of contract assets and contract liabilities in accordance with the estimated costs to complete and resultant percentage of completion or extent of any anticipated losses. Additionally, the Company estimates the amount of consideration to be received, including bonuses, awards, incentive fees, claims and unpriced change orders. Variable consideration is included in the estimate of transaction price only to the extent that a significant reversal would not be probable. These assumptions are made by project managers and the revenue committee familiar with the status of the clients' engagement.

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

4 Summary of Significant Accounting Policies

(a) Finance Costs

Finance costs comprise interest expense on borrowings and related party payables.

(b) Foreign Currency Translation

Functional and presentation currency

The financial statements are presented in New Zealand Dollars, which is the Company's functional and presentational currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(c) Income Tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

AECOM Consulting Services (NZ) Limited

ICN: 40069

Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

4 Summary of Significant Accounting Policies (continued)

(c) Income Tax (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivable and payable, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(e) Trade and Other Receivables

A receivable is recognised if an amount of consideration that is un-conditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

The Company has elected to measure its loss allowances for trade receivables and contract assets at amounts equal to their lifetime expected credit loss (ECL). The ECLs are a probability weighted estimate calculated based on debtors ageing, actual credit loss experience over the past years and future economic conditions. Contract assets held by the Company relate to work in progress which has not yet been billed and as such the average ECL percentage applied is equivalent to that applied to current (not past due) trade receivables.

When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

(f) Contract Assets and Contract Liabilities

Contract assets represent the contract revenue recognised but not yet billed pursuant to contract terms or accounts billed after the period end. Contract assets are classified as current where they are expected to be billed and collected within twelve months.

Contract liabilities represent the billings to date, as allowed under the terms of a contract, but not yet recognised as contract revenue using our revenue recognition policy.

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

4 Summary of Significant Accounting Policies (continued)

(f) Contract Assets and Contract Liabilities (continued)

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Company's operating activities in general.

(g) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation on plant and equipment is calculated on a straight line basis using the estimated useful life of the asset. The depreciation rates used for each class of depreciable assets are:

| | |
|-------------------|-----|
| Computer Software | 20% |
|-------------------|-----|

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and deposits in facilities held by a related party as part of the Group Treasury Function. The Group have unrestricted access to deposits and earn interest income at floating rates on daily bank deposit rates.

(i) Impairment

The carrying amounts of the Company's assets other than inventories and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the profit and loss.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(j) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

AECOM Consulting Services (NZ) Limited

ICN: 40069

Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

4 Summary of Significant Accounting Policies (continued)

(k) Provision

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

(l) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at rates paid or payable.

The liability for employee entitlements is carried at the present value of the estimated future cash flows.

(m) Share Capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(n) Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

Dividend distribution to the Company shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(o) Revenue

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company generally recognises revenues over time as performance obligations are satisfied. The Company generally measures its progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its clients. These costs are passed through to clients and, in accordance with GAAP, are included in the Company's revenue and cost of revenue.

Recognition of revenue and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labour productivity and cost estimates. Additionally, the Company is required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unpriced change orders, penalties, and liquidated damages. Variable consideration is included in the estimate of the transaction price only to the extent that a significant reversal would not be probable. Management continuously monitors factors that may affect the quality of its estimates, and material changes in estimates are disclosed accordingly.

The following summarises the Company's major contract types:

Cost Reimbursable Contracts

Cost reimbursable contracts include cost-plus fixed fee, cost-plus fixed rate, and time-and-materials price contracts. Under cost-plus contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a negotiated fee or rate. The Company recognises revenue based on actual direct costs incurred and the applicable fixed rate or portion of the fixed fee earned as of the balance sheet date. Under time-and-materials price contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for materials and other direct incidental expenditures incurred in connection with its performance under the contract. The Company may apply a practical expedient to recognise revenue in the amount in which it has the right to invoice if its right to consideration is equal to the value of performance completed to date.

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

4 Summary of Significant Accounting Policies (continued)

(o) Revenue (continued)

Guaranteed Maximum Price Contracts (GMP)

GMP contracts share many of the same contract provisions as cost-plus and fixed-price contracts. As with cost-plus contracts, clients are provided a disclosure of all the project costs, and a lump sum or percentage fee is separately identified. The Company provides clients with a guaranteed price for the overall project (adjusted for change orders issued by clients). Cost overruns or costs associated with project delays in completion could generally be the Company's responsibility. Revenue is recognized for GMP contracts as project costs are incurred relative to total estimated project costs.

Fixed-Price Contracts

Fixed price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, the Company performs all the work under the contract for a specified fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, the Company performs a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of units delivered. Revenue is recognised for fixed-price contracts using the input method measured on a cost-to-cost basis.

The Company has determined that the most relevant level to report disaggregated revenue is at the Design and Consulting Services (DCS) segment. As a result, the total revenue of the Company is the appropriate level of disaggregated revenue.

The Company's timing of revenue recognition may not be consistent with its rights to bill and collect cash from its clients. Those rights are generally dependent upon advance billing terms, milestone billings based on the completion of certain phases of work or when services are performed. The Company's trade receivable represents amounts billed to clients that have yet to be collected and represent an unconditional right to cash from its clients. Contract assets represent the amount of contract revenue recognised but not yet billed pursuant to contract terms or accounts billed after the balance sheet date. Contract liabilities represent billings as of the balance sheet date, as allowed under the terms of a contract, but not yet recognised as contract revenue pursuant to the Company's revenue recognition policy.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Changes in accounting policies and disclosures

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(q) New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory 30 September 2021. The Company is in the process of determining the impact of these new standards and interpretations.

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

| | 2021 \$ | 2020 \$ |
|--|------------------|-------------------|
| 5 Revenue | | |
| (a) Revenue | | |
| Rendering of services | 8,782,417 | 11,356,949 |
| Finance revenue | 18,948 | 5,237 |
| | <u>8,801,365</u> | <u>11,362,186</u> |
| <i>Breakdown of finance revenue</i> | | |
| Interest - related parties | 18,948 | 5,237 |
| | <u>18,948</u> | <u>5,237</u> |
| (b) Other Income | | |
| Net foreign exchange gains | 94 | 1,846 |
| Forgiveness of liabilities | - | 3,000,000 |
| | <u>94</u> | <u>3,001,846</u> |
| <p>During 2020 URS Asia Pacific Pty Ltd, the immediate parent of the Company, forgave a dividend payable of \$3 million NZD owed to it from the Company.</p> | | |
| 6 Expenses from Continuing Operations | | |
| (a) Expenses | | |
| Sub-consultant and project expenses | 163,597 | 613,054 |
| Salaries and employee benefits expenses | 6,457,903 | 8,122,723 |
| Administrative expenses | 1,847,337 | 1,976,313 |
| Depreciation - plant and equipment | 549 | 18,901 |
| Travel and relocation expenses | 31,295 | 22,228 |
| Other expenses | 14,477 | 195,169 |
| Total expenses from continuing operations | <u>8,515,158</u> | <u>10,948,388</u> |
| (b) Borrowing Costs | | |
| Interest expense - third parties | - | 93 |
| Total borrowing costs | <u>-</u> | <u>93</u> |

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

| | 2021 \$ | 2020 \$ |
|---|----------------|----------------|
| 7 Income Tax | | |
| The components of tax expense comprise: | | |
| Current income tax | | |
| Local income tax expenses - current period | 116,416 | 97,705 |
| Adjustment in respect of current income tax of previous years | (79,517) | 3,324 |
| Deferred income tax | | |
| Relating to origination and reversal of temporary differences | (40,385) | 104,908 |
| | <u>(3,486)</u> | <u>205,937</u> |
| A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Company's applicable income tax rate is as follows: | | |
| Accounting profit before income tax | 286,301 | 3,415,551 |
| Prima facie tax on profit from ordinary activities at the Company's statutory rate of 28% (2020: 28%) | 80,164 | 956,354 |
| Non-deductible expenses for tax purposes: | | |
| - Entertainment expenses | 605 | 406 |
| - Non-assessable income – forgiveness of dividend payable | - | (840,000) |
| - Share based payments | 277 | 1,615 |
| - (Assessable)/non-deductible sundry items | (5,015) | 84,237 |
| | <u>76,031</u> | <u>202,612</u> |
| - (Over)/under provision in previous year | (79,517) | 3,325 |
| Income tax (benefit)/expense | <u>(3,486)</u> | <u>205,937</u> |
| An effective income tax rate of: | <u>(1)%</u> | <u>6%</u> |

| | Statement of Financial Position 2021 \$ | Statement of Financial Position 2020 \$ | Statement of profit or loss and other comprehensive income 2021 \$ | Statement of profit or loss and other comprehensive income 2020 \$ |
|--|---|---|--|--|
| Deferred income tax at 30 September relates to the following: | | | | |
| Net Deferred Tax Assets/(Liabilities) | | | | |
| Deferred tax assets: | | | | |
| Employee benefits | 167,258 | 176,574 | (9,316) | (5,434) |
| Expected credit losses | - | 2 | (2) | (41) |
| Plant and equipment | 345,107 | 351,118 | (6,011) | (269,544) |
| Provisions | 84,385 | 51,675 | 29,710 | 9,069 |
| Deferred tax Liability: | | | | |
| Contract assets | - | (24,280) | 24,280 | 118,046 |
| Net deferred tax assets | <u>596,750</u> | <u>555,089</u> | <u>48,661</u> | <u>(147,904)</u> |

AECOM Consulting Services (NZ) Limited

Inc No: 40069

Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

8 Dividends

No dividends were declared or paid during the current financial year (2020: \$Nil). See Note 19.

Imputation credit balance

As of 1 April 2017, AECOM Consulting Services (NZ) Limited became part of the AECOM New Zealand Imputation Group. Accordingly, all imputation credit transactions post this date are disclosed in AECOM New Zealand Holdings Limited, as this is the nominated representative company of the imputation Group. As at 1 April 2017, AECOM Consulting Services (NZ) Limited had an imputation credit closing balance of \$0.

9 Cash and Cash Equivalents

| Note | 2021 \$ | 2020 \$ |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | <u>8,256,341</u> | <u>7,782,929</u> |

10 Trade and Other Receivables

| | | |
|--|------------------|------------------|
| Trade receivables | 105,605 | 243,026 |
| Provisions for expected credit losses | - | (7) |
| | <u>105,605</u> | <u>243,019</u> |
| Amounts receivable from other related entities | 19(a) 1,127,018 | 1,934,200 |
| | <u>1,232,623</u> | <u>2,177,219</u> |

Amounts Receivable from Other Related Entities

All amounts receivable from other related entities are non-interest bearing and are normally settled on 30 day terms.

11 Contract Assets and Contract Liabilities

Net contract assets / (contract liabilities) comprises:

| | | |
|----------------------|------------------|-----------------|
| Contract assets | 33,846 | 11,720 |
| Contract liabilities | (252,143) | (92,792) |
| | <u>(218,297)</u> | <u>(81,072)</u> |

12 Other Assets

CURRENT

| | | |
|----------------|--------------|--------------|
| GST receivable | <u>1,552</u> | <u>7,412</u> |
| | <u>1,552</u> | <u>7,412</u> |

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

13 Plant and Equipment

(a) Movement in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

| | Furniture and Equipment \$ | Leasehold Improvements \$ | Computer Equipment \$ | Computer Software \$ | Total \$ |
|---------------------------------------|----------------------------------|---------------------------------|-----------------------------|----------------------------|-------------|
| Cost | | | | | |
| Year ended 30 September 2021 | | | | | |
| Balance at the beginning of year | - | - | - | 2,995 | 2,995 |
| Transfer | - | - | - | (2,995) | (2,995) |
| Balance at the end of the year | - | - | - | - | - |
| Year ended 30 September 2020 | | | | | |
| Balance at the beginning of year | 208,208 | 3,340 | 426,115 | 2,997 | 640,660 |
| Disposals | (208,208) | (3,340) | (426,115) | (2) | (637,665) |
| Balance at the end of the year | - | - | - | 2,995 | 2,995 |
| Depreciation | | | | | |
| Year ended 30 September 2021 | | | | | |
| Balance at the beginning of year | - | - | - | (2,396) | (2,396) |
| Depreciation | - | - | - | (549) | (549) |
| Transfers | - | - | - | 2,945 | 2,945 |
| Balance at the end of the year | - | - | - | - | - |
| Year ended 30 September 2020 | | | | | |
| Balance at the beginning of year | (196,505) | (795) | (422,664) | (1,196) | (621,160) |
| Depreciation | (17,572) | - | (434) | (895) | (18,901) |
| Transfers | - | - | - | (305) | (305) |
| Disposals | 214,077 | 795 | 423,098 | - | 637,970 |
| Balance at the end of the year | - | - | - | (2,396) | (2,396) |
| Net Book Value | | | | | |
| 30 September 2021 | - | - | - | - | - |
| 30 September 2020 | - | - | - | 599 | 599 |

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

14 Trade and Other Payables

| | Note | 2021 \$ | 2020 \$ |
|---|-------|------------------|------------------|
| Trade creditors and accruals | | 427,367 | 554,402 |
| Amounts payable to other related entities | 19(a) | 694,940 | 1,283,527 |
| | | <u>1,122,307</u> | <u>1,837,929</u> |

Terms and conditions relating to the above financial instruments:

Amounts Payable to Other Related Parties

Amounts payable to other related parties are non-interest bearing and are normally settled on 30 day terms.

15 Employee Entitlements

CURRENT

| | | |
|---------------------------------|----------------|----------------|
| Provision for employee benefits | <u>601,450</u> | <u>582,597</u> |
|---------------------------------|----------------|----------------|

NON-CURRENT

| | | |
|---------------------------------|--------------|--------------|
| Provision for employee benefits | <u>2,653</u> | <u>1,790</u> |
|---------------------------------|--------------|--------------|

16 Provisions

CURRENT

| | | |
|-------------------------------|---------------|----------------|
| Professional indemnity claims | <u>80,500</u> | <u>175,000</u> |
|-------------------------------|---------------|----------------|

(a) Movement in Carrying Amounts

| | Professional Indemnity \$ |
|-----------------------------------|---------------------------------|
| Opening balance at 1 October 2019 | - |
| Additional provisions | 175,000 |
| Balance at 30 September 2020 | <u>175,000</u> |
| Provision used | (94,500) |
| Balance at 30 September 2021 | <u>80,500</u> |

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

17 Share Capital and Reserves

| | 2021 \$ | 2020 \$ |
|----------------------------|------------------|------------------|
| Issued and paid up capital | <u>1,318,302</u> | <u>1,318,302</u> |

At 30 September 2021, share capital issued and fully paid comprised 1,318,302 ordinary shares (2020: 1,318,302).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company, and rank equally with regard to the Company's residual assets.

The equity contribution account recognises the amount relating to the share-based payments provided to employees of AECOM Consulting Services Pty Ltd by AECOM that has been recognised in the Statement of profit or loss and other comprehensive income of AECOM Consulting Services (NZ) Limited.

18 Key Management Personnel Disclosures

The Company received key management personnel services provided by other related entities, AECOM Australia Pty Ltd and AECOM New Zealand Limited.

Other Key Management Personnel Transactions

No other transactions with key management personnel occurred in the current or previous year.

19 Related Party Transactions

The immediate parent of the Company is URS Asia Pacific Pty Ltd. The ultimate parent of the Company is AECOM.

(a) Transactions with Related Parties

Sales to and purchases from related parties are made at arm's length transactions both at normal market prices and on commercial terms.

During 2020, URS Asia Pacific Pty Ltd, the immediate parent of the Company forgave a dividend payable of \$3 million NZD owed to it from the Company.

Amounts payable to other related parties are interest free with no fixed terms of repayment.

The following transactions occurred with related parties:

| | Sales to Related Parties \$ | Purchases from Related Parties \$ | Net Interest Income \$ | Balance outstanding Amounts Owed by Related Parties \$ | Amounts Owed to Related Parties \$ |
|-------------------------|--------------------------------------|--|------------------------------|---|--|
| 2021 | | | | | |
| Ultimate parent entity | - | - | - | - | - |
| Sister entities | (8,757,275) | 1,141,298 | (18,948) | 1,127,018 | (694,940) |
| Related entities | <u>(8,757,275)</u> | <u>1,141,298</u> | <u>(18,948)</u> | <u>1,127,018</u> | <u>(694,940)</u> |
| 2020 | | | | | |
| Ultimate parent entity | - | - | - | - | - |
| Sister entities | (10,172,911) | 371,368 | (5,273) | 1,934,200 | (1,283,527) |
| Related entities | <u>(10,172,911)</u> | <u>371,368</u> | <u>(5,273)</u> | <u>1,934,200</u> | <u>(1,283,527)</u> |

There were no key management personnel loans for the year ended 2021 (2020: Nil).

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|----------------|------------------|
| 20 Cash Flow Information | | | |
| (a) Reconciliation of Result for the Year to Cash flows from Operating Activities | | | |
| Reconciliation of net income to net cash provided by operating activities: | | | |
| Profit/(Loss) for the year | | 289,787 | 3,209,614 |
| Cash flows excluded from profit/(loss) attributable to operating activities | | | |
| Non-cash flows in profit/(loss): | | | |
| Depreciation | | 549 | 18,901 |
| Debt waiver | 5(b) | - | (3,000,000) |
| Net foreign exchange losses/(gains) | | (17) | 44 |
| Share based payments | | 991 | 5,767 |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries: | | | |
| Decrease in trade and other receivables | | 137,432 | 557,208 |
| Decrease in other operating assets | | 5,860 | 134,077 |
| Decrease in receivables from related entities | | 807,182 | 1,990,912 |
| Decrease in contract assets/liabilities | | 137,224 | 478,787 |
| (Increase)/decrease in deferred tax assets | | (41,661) | 147,904 |
| Decrease in trade and other payables | | (126,986) | (146,151) |
| (Decrease)/increase in income taxes payable | | (73,578) | 97,705 |
| (Decrease)/increase in other provisions | | (74,784) | 144,848 |
| Decrease in payables to related entities | | (588,587) | (471,784) |
| Cash flow used by operations | | <u>473,412</u> | <u>3,167,832</u> |

21 Share-based Payments

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments under the AECOM 2006 Stock Incentive Plan. Under the plan, employees render services in exchange for shares or rights over shares. The exercise price of the shares is equal to the market price on the date of grant. The contractual term of the restricted share units is 3 years and there are no cash settlement alternatives for the employees.

The cost of these awards with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing the awards, no account is taken of any performance conditions, other than market conditions, if applicable. The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period). To the extent the Company repays AECOM in respect of the cost of the awards made under this scheme the repayment is recognised as a reduction to the initial equity contribution recognised.

The cumulative expense recognised for share-based payment transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the Company's best estimate of the number of equity instruments that will ultimately vest

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

If an award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised

AECOM Consulting Services (NZ) Limited

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Notes to and forming part of the Financial Statements For the Year Ended 30 September 2021

21 Share-based Payments (continued)

for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

| | 2021 \$ | 2020 \$ |
|--|------------|--------------|
| Expense arising from equity-settled share-based payment transactions | <u>991</u> | <u>5,767</u> |

Expenses arising from equity-settled share-based payment transactions are shown in administrative expenses included in Note 6(a).

22 Contingencies

The Company has no contingent assets or liabilities at balance date (2020: Nil).

23 Commitments

At 30 September, there were no outstanding capital commitments (2020: Nil).

24 Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

25 Financing Arrangements

| | 2021 \$ | 2020 \$ |
|-------------------------------|-------------------|-------------------|
| Total facilities | | |
| Overdrafts | 60,000,000 | 60,000,000 |
| Used at balance date | - | - |
| Unused at balance date | <u>60,000,000</u> | <u>60,000,000</u> |

The overdraft balance represents an amount payable to AECOM Global Ireland Services Limited which incurs interest at a rate of 3% (2020: 3.0%) on the loan and 0.25% on cash pooling account (2020: 0.25%).

The financial overdraft arrangements of the Company are with a related party as part of the Group Treasury Function and are secured by way of a guarantee from AECOM (the ultimate controlling entity).

Guarantees and letters of credits of the Company are guaranteed from AECOM (the ultimate controlling entity).

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.



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Independent auditor's report to the Shareholders of AECOM Consulting Services (NZ) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AECOM Consulting Services (NZ) Limited ("the Company"), which comprise the statement of financial position of the Company as at 30 September 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended of the Company, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2021 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

This report is made solely to the Company's shareholders. Our audit has been undertaken so that we might state to the Company's shareholders 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 shareholders, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). 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 Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, 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.

Ernst & Young provides taxation and other assurance related services to the Company. Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company. We have no other relationship with, or interest in, the Company.

Information other than the financial statements and auditor's report

The Directors of the Company are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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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 during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Directors' responsibilities for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime, 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 on behalf of the entity 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 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 International Standards on Auditing (New Zealand) 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 at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>. This description forms part of our auditor's report.

The Ernst & Young signature logo is written in a black, cursive script font.

Ernst & Young
Brisbane
17 December 2021