

Company Registered No. 02397024 (England and Wales)

Cougar Automation Limited

**Annual Report and Financial Statements
For the year ended
31 December 2018**



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Company information

Directors

Mr. P Guerin
Mr. R Ziyat

Independent auditors

PricewaterhouseCoopers LLP
Cornwall Court,
19 Cornwall Street,
Birmingham
B3 2DT

Registered Office

Wellington Gate
Silverthorne Way
Waterlooville
Hampshire
PO7 7XY

Company number

02397024

Strategic report

The directors present the strategic report for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of developing and installing turnkey industrial control and automation systems.

Business review

The directors can report a turnover for 2018 of £11,505,000 (2017 – 16 months to 31 December 2017: £12,416,000) and operating profit of £750,000 (2017 – 16 months to 31 December 2017: £485,000) which is 6.52% of turnover (2017 – 16 months to 31 December 2017: 3.91%). The directors are pleased with the 2018 performance which shows strong growth in the operating performance achieved.

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Vinci SA, which include those of the company, are discussed in the group's annual report which does not form part of this report.

Capitalise on the knowhow and the offers available throughout the Vinci Energies group

The commitment of our employees, their awareness of customer needs coupled with our project management approach has helped further improve our quality of service.

By joining forces with the wider Vinci Energies group and sharing complementary expertise, this enables us to support our clients with the highest quality and global value-added solutions. This network approach along with the brands that exist throughout the Vinci Energies group allows us to leverage the strength of the group for the benefit of our clients.

Specialised by sector of activity and customer process

Our teams continue to build specialist knowledge and expertise to enable us to increasingly provide high content and solutions tailored to our customer's process.

Development of our people

Investment in our people is the best investment we can make.

We are proud to have continued our active scheme for young engineers and apprentices to provide the training and skills development for the next generation of engineers and skilled workers.

Fully supported by our VINCI Energies Academy in the UK, our training policy is a powerful tool for ensuring that our skills and expertise are continually adapting to on-going changes in technology.

We remain committed to our training programme.

Strategic report (continued)

Improve safety

Safety is a number one priority. We are committed to our “zero lost days” target and continue to involve all employees through training, safety day initiatives, identification of dangerous situations, competitions and sharing of best practice as well as regular audit procedures and external assessments.

Looking Forward

Cougar Automation Limited will continue in its initiatives described above in order to ensure a sustainable and profitable future for both the company and its clients. We expect the momentum in the Economy to continue, albeit, with some uncertainty because of Brexit. During this period of change, we must keep close to our customers to understand and then support them in their investment plans. By focussing on our strengths and within our key market segments, coupled with the on-going commitment and professionalism of our teams we are well placed to exploit the opportunities and overcome challenges that lie ahead

Key performance indicators

For the year ended 31 December 2018, the company has made a profit before tax of £750,000 (2017 – 16 months to 31 December 2017: £486,000).

The directors of Vinci SA manage the group’s operations on a divisional basis. For this reason, the company’s directors believe that further analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company.

Financial risk management objectives and policies

The company’s activities expose it to financial risks, including, credit risk, cash flow risk and liquidity risk. The use of derivatives is governed by the company’s policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company has not used derivative financial instruments in the current or prior year.

Cash flow risk

The company conducts a very low volume of transactions in foreign currency, as such the financial risks are considered to be small, and as a result, the company does not use foreign exchange forward contracts or interest swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The company’s principal financial assets are cash plus bank balances and trade and other receivables.

The company’s credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited due to the fact that the counterparties are banks with high credit ratings assigned by international credit rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Strategic report (continued)

Liquidity risk

As the company is party to a centralised cash management agreement in place with the Belgian company VINCI Finance International, liquidity risk is of a minimal nature.

Supplier payment policy

It is the policy of the company that appropriate terms and conditions are agreed for its transactions with suppliers (by means ranging from standard written terms to individually negotiated contracts) and that payment should be made in accordance with those terms and conditions, provided that the supplier has also complied with them.

On behalf of the Board:

A handwritten signature in black ink, appearing to be 'R Ziyat', written over a circular scribble.

Mr. R Ziyat - Director

Date: 30 September 2019

Directors' report

The directors present their Annual report and audited financial statements for the year ended 31 December 2018.

Directors

The following persons served as directors during the year:

Mr. P Guerin
Mr. R Ziyat

Results and dividends

The results for the year are set out on page 12. The directors have recommended payment of a final dividend of £600,000 for the year ended 31 December 2018 (2017 £85,000).

Strategic report

Certain matters that are required to be disclosed in the Directors' Report under Schedule 7 of the Companies Act 2006 have instead been disclosed in the Strategic Report, as permitted by S.414C(11) of the Companies Act 2006.

Directors' responsibilities for preparing the financial statements

The directors are responsible for preparing the Strategic report, Directors' report and financial statements ("the Annual Report") in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Directors' report (continued)

Disclosure of information to auditors

Each person who was a director as the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP were appointed as auditors of the Company during the period and pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

By order of the Board



Mr. R Ziyat - Director

Date: 30 September 2019

Independent auditors' report to the members of Cougar Automation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cougar Automation Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income; the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 September 2019

Statement of Comprehensive Income
For the year ended 31 December 2018

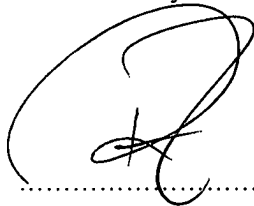
	<i>Note</i>	2018	16 months to 31 Dec 2017
		£'000	£'000
Turnover	2	11,505	12,416
Cost of sales		(2,438)	(3,483)
		<hr/>	<hr/>
Gross profit		9,067	8,933
Administrative expenses		(8,317)	(8,449)
Other operating income		-	1
		<hr/>	<hr/>
Operating profit	3	750	485
Interest receivable and similar income		4	1
Interest payable and similar expenses		(4)	-
		<hr/>	<hr/>
Profit before taxation		750	486
Taxation	6	(124)	(21)
		<hr/>	<hr/>
Profit for the financial year		626	465
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		626	465
		<hr/> <hr/>	<hr/> <hr/>

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

**Statement of Financial Position
at 31 December 2018**

	<i>Note</i>	2018 £'000	2018 £'000	16 months to 31 Dec 2017 £'000	16 months to 31 Dec 2017 £'000
Fixed assets					
Tangible assets	8		141		156
Current assets					
Debtors	9	3,421		2,358	
Cash at bank and in hand		1,201		1,316	
Creditors: amounts falling due within one year	10	(2,230)		(1,897)	
Net current assets			2,392		1,777
Total assets less current liabilities			2,533		1,933
Provisions for liabilities	11		(1)		(27)
Net assets			2,532		1,906
Capital and reserves					
Called up share capital	12		1		1
Share premium account			195		195
Retained Earnings			2,336		1,710
Total equity			2,532		1,906

The financial statements on pages 12 to 28 were approved by the board of directors on 30 September and signed on its behalf by:



.....
Mr. R. Ziyat - *Director*
Company registered number:02397024

Statement of Changes in Equity
For the year to 31 December 2018

	Called up Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 September 2016	1	195	1,330	1,526
16 months ended 31 December 2017				
Profit and comprehensive income for the period	-	-	465	465
Dividends (<i>Note 7</i>)	-	-	(85)	(85)
Balance at 31 December 2017	1	195	1,710	1,906

	Called up Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2018	1	195	1,710	1,906
Year ended 31 December 2018				
Profit and comprehensive income for the year	-	-	626	626
Dividends (<i>Note 7</i>)	-	-	-	-
Balance at 31 December 2018	1	195	2,336	2,532

Notes

(forming part of the financial statements)

1 Accounting Policies

Cougar Automation Limited (the “Company”) is a Company incorporated and domiciled in the UK. The registered office is listed on page 3. The operations and principal activities of the Company are discussed in the Strategic Report.

These financial statements were prepared in accordance with Financial Reporting Standard 101 (“FRS 101”) and the requirements of the Companies Act 2006.

The Company’s ultimate parent undertaking as at 31 December 2018, Vinci SA includes the Company in its consolidated financial statements. The consolidated financial statements of Vinci SA are prepared in accordance with adopted IFRS and are available to the public and may be obtained from Vinci SA, 1 Cours Ferdinand de Lesseps, F-92851 Rueil-Malmaison Cedex, France.

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

- the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 45(b) and 46-52 of IFRS ‘Share based payments’;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose transactions with other wholly owned subsidiaries of the Vinci SA group; and
- Certain disclosure requirements of IFRS 15

As the consolidated financial statements of Vinci SA include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* by IFRS 7 Financial Instrument Disclosures and IAS 36 Impairment of Assets.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The comparatives represent the 16 months ended 31 December 2017.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.10.

The Company’s functional currency is Sterling. The financial statements are presented in Sterling and all values are rounded to the nearest £’000.

Notes *(continued)*
(forming part of the financial statements)

1 **Accounting policies** *(continued)*

1.1 **Turnover**

Revenue relating to construction and service contracts is recognised in accordance with IFRS 15. In view of the company's main activities, the majority of construction and service contracts involve only one performance obligation which is fulfilled as contract execution progresses. Revenue is recognised over time and using a cost input basis which reflect the nature of the company's contract performance. To measure the progress towards completion of construction and service contracts, the company uses the cost- to-cost method. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Contract amendments (relating to the price and/or scope of the contract) are recognised when approved by the client. Where amendments relate to new goods or services regarded as distinct under IFRS 15, and where the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognised as a distinct contract. The cost of winning the contract that would not have been incurred if the company had not won the contract is recognised as an asset where it is recoverable and amortised over the estimated contract term. At the company level, the cost of winning contracts, capitalised and amortised over a period of more than one year, is not material. The company's invoicing to customers is designed to match the profile of its costs and cashflows, where the invoicing profile does not match the pattern of revenue recognition this results in contract assets and liabilities.

1.2 **Tangible fixed assets**

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer hardware 3 years
- Office equipment 1 to 4 years
- Fixture & Fittings 10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes *(continued)*
(forming part of the financial statements)

1.3 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.4 Going Concern

The company's business activities are set out in the Strategic report on pages 4 & 5. The financial position of the company is shown in the balance sheet on page 12.

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

1.5 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.6 Leases

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Notes *(continued)*
(forming part of the financial statements)

1.7 Contract assets and liabilities

The company's trade receivables represent the unconditional right to receive consideration ("a payment") when the goods or services promised to the customer in the contract have been transferred. However, where the right is dependent on the transfer of other goods or services and/or the completion of milestones or stages defined in the contract, the company regards the amount representing that "conditional" right as a contract asset. Contract assets related to the portion of performance obligations already fulfilled by the company and for which the definitive right to receive cash was subject to completing other work specified in the relevant contracts. Contract assets turn into receivables as works are received by the client, giving rise to the company's unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the company under existing contracts.

Amounts relating to any company obligation to transfer goods or services for which it has already received a payment, or for which the right to such payment is enforceable, are regarded as contract liabilities under IFRS 15. Within the company, contract assets correspond to invoices not yet raised. In accordance with IFRS 9, contract assets are analysed to assess any risk of non-recovery ("credit risk"). Contract liabilities mainly consist of advances received and prepaid income.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument and are initially measured at fair value.

Loans and receivables are non-derivative financial assets (including Trade debtors) with fixed or determinable payments and are measured at amortised cost using the effective interest rate less any impairment. Financial assets are assessed for impairment at the end of each reporting period.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements. Financial liabilities such as borrowings and trade and other payables are subsequently measured at amortised cost using the effective interest method.

1.9 Provisions

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion in accordance with IAS 37, regardless of progress towards completion, and based on the best estimates of income, including, if need be, any rights to additional revenue or claims, where it is regarded as highly probable and can be reliably estimated.

1.10 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Notes (continued)
(forming part of the financial statements)

1.10 Judgements and key sources of estimation uncertainty (continued)

Turnover – Following detailed quantification of the company’s contracts and the revenue derived from them, the directors are satisfied that revenue is recognised over time and is based on an input method being cost % completion. Total budgeted costs and costs to complete are estimated based on the directors’ experience of managing similar contracts and forecast costs and margins are monitored closely and updated regularly as required.

Impairment of trade receivables – The company makes an estimate of the recoverable value of trade receivables. When assessing impairment of trade receivables, management considers any receivable with an ageing profile greater than 60 days overdue to require a provision. See note 9 for the net carrying amount of the trade receivables.

Useful economic lives of computer hardware and equipment – The annual depreciation charge for computer hardware and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the computer hardware and equipment and note 1.2 for the useful economic lives for each class of assets.

1.11 Adoption of IFRS 15

The company adopted IFRS 15 on 1 January 2018, the date on which the standard came into force in the European Union. Given that the impacts identified were not material, IFRS 15 was applied retrospectively to currently existing contracts according to the “simplified retrospective” approach. The 2017 data presented for the purpose of comparison were not adjusted and are still presented in accordance with the previous accounting standards (IAS 11 “Construction contracts”, IAS 18 “Revenue” and the various interpretations including IFRIC 15 “Agreements for the Construction of Real Estate”).

1.12 Adoption of IFRS 9 in the year

Impact of initial application of IFRS 9 Financial Instruments In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

IFRS 9 introduced new requirements for:

- a) The classification and measurement of financial assets and financial liabilities,
- b) Impairment of financial assets, and
- c) General hedge accounting.

Details of these new requirements as well as their impact on the company’s financial statements are described below. The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

- (a) Classification and measurement of financial assets and financial liabilities

Notes *(continued)*
(forming part of the financial statements)

1.12 Adoption of IFRS 9 in the year *(continued)*

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The application of IFRS 9 has had no impact on the classification and measurement of the company's financial assets or liabilities.

(b) Impairment of financial assets In relation to the impairment of financial assets

IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost; and,
2. Trade receivables and contract assets.

In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets in certain circumstances. The company has chosen to make reserves for expected credit losses over the financial assets lifetime based on the simplified model. The company has elected not to restate comparatives, there is no impact on the company's opening retained earnings balance as at 1 January 2018.

Notes *(continued)*
(forming part of the financial statements)

2 Turnover

Revenue performance is reviewed at company and individual contract level and therefore no additional disaggregated revenue disclosures are provided.

	2018 £'000	16 months to 31 Dec 2017 £'000
By geographical market:		
UK & Eire	11,497	12,416
Asia	8	-
	<hr/>	<hr/>
	11,505	12,416
	<hr/> <hr/>	<hr/> <hr/>

3 Operating Profit

Included in operating profit are the following:

	2018 £'000	16 months to 31 Dec 2017 £'000
Depreciation of property, plant and equipment	64	74
Operating lease payments	237	288
<i>Auditors' remuneration:</i>		
Audit of these financial statements	7	8
	<hr/>	<hr/>

Notes *(continued)*
(forming part of the financial statements)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

Number of employees	
2018	2017
110	103
<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2018	16 months to
	£'000	31 Dec 2017
		£'000
Wages and salaries	4,694	5,853
Social security costs	516	614
Expenses related to pension plans	251	297
	<u> </u>	<u> </u>
	5,461	6,764
	<u> </u>	<u> </u>

Expenses related to pension plans are wholly in relation to defined contribution schemes.

Notes *(continued)*
(forming part of the financial statements)

5 Directors' remuneration

	2018	16 months to
	£'000	31 Dec 2017
		£'000
Directors' remuneration	-	334
Company pension contributions to defined contribution schemes	-	51
Sums Paid to third parties for directors' services	-	19
	<hr/>	<hr/>
	-	404
	<hr/> <hr/>	<hr/> <hr/>

	Number of directors	
	2018	2017
Retirement benefits are accruing to the following number of directors under:		
Defined Contribution pension scheme	-	4
	<hr/> <hr/>	<hr/> <hr/>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018	16 months to
	£'000	31 Dec 2017
		£'000
Remuneration for qualifying services	-	92
Company pension contributions to defined contribution schemes	-	12
	<hr/>	<hr/>
	-	104
	<hr/> <hr/>	<hr/> <hr/>

The directors are employed by other companies within the Vinci SA Group and are paid by those companies. The emoluments they receive in respect of their role as directors of this company are not disclosed in these financial statements as they have not rendered services to the company. No directors were members of the pension scheme in the year.

Notes *(continued)*
(forming part of the financial statements)

6 Taxation

	2018	2018	16 months to	16 months to
	£'000	£'000	31 Dec 2017	31 Dec 2017
			£'000	£'000
<i>UK corporation tax</i>				
Current tax on income for the year	125		6	
Adjustments in respect of prior periods	25		-	
	<hr/>		<hr/>	
Total current tax		150		6
<i>Deferred tax (see note 11)</i>				
Origination and reversal of temporary differences	(8)		15	
Adjustments in respect of prior periods	(18)		-	
	<hr/>		<hr/>	
Total deferred tax		(26)		15
		<hr/>		<hr/>
Tax on profit		124		21
		<hr/> <hr/>		<hr/> <hr/>

Reconciliation of effective tax rate

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£'000	£'000
Profit before taxation	750	486
	<hr/>	<hr/>
Profit before taxation using the applicable UK corporation tax rate of 19.00% (2017: 19.44%)	143	95
Non-deductible expenses	-	-
Research and development tax credit	-	(73)
Capital allowances higher than depreciation	(2)	-
Under provided in the prior year	7	-
Group losses available to company	(24)	-
Effect of deferred tax rate change	-	(1)
	<hr/>	<hr/>
Total tax expense	124	21
	<hr/> <hr/>	<hr/> <hr/>

The tax reconciliation above reflects the UK corporation tax rate of 19% (effective from 1 April 2017). A reduction to 18% (effective April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future tax charge accordingly.

Notes *(continued)*
(forming part of the financial statements)

7 Dividends

	2018	16 months to
	£'000	31 Dec 2017
		£'000
Interim dividends paid	-	85
	<u> </u>	<u> </u>

In December 2017 the dividend paid was £106.92 per share.

8 Tangible assets

	Computer Hardware £'000	Office Equipment £'000	Total £'000
Cost			
Balance at 1 January 2018	71	421	492
Reclassification	254	(254)	-
Additions	46	3	49
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2018	371	170	541
	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation and impairment			
Balance at 1 January 2018	64	272	336
Reclassification	196	(196)	-
Depreciation charge for the year	44	20	64
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2018	304	96	400
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017	7	149	156
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	67	74	141
	<u> </u>	<u> </u>	<u> </u>

Notes *(continued)*
(forming part of the financial statements)

9 Debtors

	2018	2017
	£'000	£'000
Trade debtors	1,017	1,217
Contract assets	2,255	1,067
Prepayments and accrued income	143	-
Other debtors	6	74
	3,421	2,358
	3,421	2,358

The company has recognised impairment losses of £9k (2017: Nil) on trade debtors in the year. No impairment losses have been recognised on contract assets.

10 Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	-	374
Amounts owed to group undertakings	101	19
Contract liabilities	678	794
Corporation tax	119	6
Other taxation and social security	440	421
Accruals and deferred income	892	283
	2,230	1,897
	2,230	1,897

Revenue recognised in the year that was included in contract liability balance at 31 December amounts to £720k.

Notes *(continued)*
(forming part of the financial statements)

11 Provisions for liabilities

	2018	2017
	£'000	£'000
Deferred tax liability	1	27
	<hr/>	<hr/>
	1	27
	<hr/> <hr/>	<hr/> <hr/>

Movement in the period:

	Deferred tax
	£'000
Balance at 1 January 2018	27
Provided in the year	-
Released in the year	(26)
	<hr/>
Balance at 31 December 2018	1
	<hr/> <hr/>

12 Authorised, issued and called up share capital

	2018	2017
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
795 (2017: 795) Ordinary shares of £1 each	1	1
	<hr/>	<hr/>

The company has one class of shares which hold no right to dividends. All shares rank pari passu in respect of voting rights, dividends and on winding up.

13 Operating leases

Future total minimum rentals payable under non-cancellable operating leases are as follows:

	2018	2017
	£'000	£'000
Less than one year	143	140
Between one and five years	206	354
More than five years	-	-
	<hr/>	<hr/>
	349	494
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*
(forming part of the financial statements)

14 Related parties

Cougar Automation Limited has taken advantage of the exemption available not to disclose transactions with fellow wholly owned group companies.

15 Ultimate parent Company and parent Company of larger group

The Company is a 100% subsidiary of Vinci Energies UK Holdings Limited. The ultimate controlling party is Vinci SA, incorporated in France.

The largest group in which the results of the Company are consolidated is that headed by Vinci SA, France, and the smallest group is that headed by Vinci Energies UK Holdings Limited. The consolidated financial statements of these groups are available to the public and may be obtained from Vinci SA, 1 Cours Ferdinand de Lesseps, F-92851 Rueil-Malmaison Cedex, France.