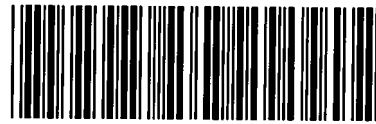


Company Registration No. 02448655 (England and Wales)

**AMD ENVIRONMENTAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2018**

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COMPANIES HOUSE

# AMD ENVIRONMENTAL LIMITED

## COMPANY INFORMATION

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

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# AMD ENVIRONMENTAL LIMITED

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# AMD ENVIRONMENTAL LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 NOVEMBER 2018**

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The directors present the strategic report and financial statements for the year ended 30 November 2018.

### **Fair review of the business**

We are pleased to report a comprehensive financial year, both in terms of revenue and profits, achieved through continued hard work and efficiencies. Once again, the construction industry continued to be challenging but the company continued to seize opportunities and bolstered its position within the market place and sector. Existing frameworks were maintained and the company continued to deliver success in the provision of a full MEP package.

Growth in terms of number of projects and the diversity of work undertaken continued to evolve and new opportunities continue to present themselves.

Overall the board were pleased with the revenue achieved in the year (£19.8m) and acknowledge whilst this is marginally reduced from 2017 (£20.2m), the previous year had a number of delayed projects which were concentrated into 2017. Likewise, gross margins continued to remain strong and business efficiencies and control continued to be working effectively. Through continued efficiencies, control and monitoring the gross margin has improved in 2018 and continues to remain a key focus of the business.

Overheads remain consistent with previous activity and, after 'other operating income', overheads for the year were marginally reduced from 2017. Consequently, net profit for the year has increased and overall the board were satisfied with the results.

The business has seen a positive, yet challenging, start in financial year 2019 and is forecasting a similar revenue to that currently. That said, and as an impact surrounding the uncertainty of 'Brexit', there remains an element of risk surrounding the possible delay of projects released. The business continues to monitor the impact of such a delay and is continually forecasting and working with strategic partners to best manage the impact.

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

Traditional revenue streams from Critical Resilience and retail projects remain consistent and relationships remain strong. Currently there are several enquires surrounding new work streams and the board are confident that these will be successful, which will further secure the diversity of business. The business continues its development of the Energy Lifecycle Management model and is exploring of these core skills and their commercial implementation.

Our FM and Special Works Section has continued to prove a challenging revenue stream in an extremely competitive sector. The business is committed to the success of the department and continues to recruit key skills to ensure its success.

# AMD ENVIRONMENTAL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 NOVEMBER 2018**

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### **Principal risks and uncertainties**

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

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

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

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

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

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

### **Ability to attract and retain high-calibre employees**

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

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

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

### **Material costs and availability of specialist sub-contractors**

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

### **Information technology and business continuity**

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

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

# AMD ENVIRONMENTAL LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

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### Development and performance

#### Customer credit risk

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

#### Key performance indicators

For the year ended 30 November 2018 underlying profit before tax increased to £2,571,183 (2017: £2,237,133) with turnover of £19,841,703 (2017: £20,182,583) and the board considered the results to be in line with its expectations.

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

- Revenue decreased £340,880 from 2017, 1.7%
- Gross margins increased from 19.28% in 2017 to 19.67%
- Overheads decreased £175,627 from 2017
- Net profit increased £334,050 (14.9%) from 2017
- Our diverse specialist Engineering Services offering has resulted in us further enhancing our market position and increased market share.
- Proactive customer service, quality delivery performance and selective tendering focus were key performance drivers that assisted to enhance existing relationships with repeat business as well as create new client diversification opportunities.

On behalf of the board

  
.....  
Mr J A King  
Director

.....21/8/19.....

  
.....

Mr M G Sullivan  
Director

.....21/8/19.....

# AMD ENVIRONMENTAL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 NOVEMBER 2018

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The directors present their annual report and financial statements for the year ended 30 November 2018.

#### Principal activities

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

#### Directors

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

Mr J A King

Mr M G Sullivan

Mr D J Pearce

Mr J Gray

(Resigned 5 October 2018)

Mr D B Peachey FCA

#### Results and dividends

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

AMD Environmental Limited paid an interim dividend of £585,431 (2017: £551,035) and a final dividend of £550,000 (2017: £1,140,100).

#### Future developments

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

#### Auditor

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

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# AMD ENVIRONMENTAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

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### Statement of disclosure to auditor

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

On behalf of the board



.....  
Mr J X King  
Director



.....  
Mr M G Sullivan  
Director

Date: 21/08/19.....

# AMD ENVIRONMENTAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AMD ENVIRONMENTAL LIMITED

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#### Opinion

We have audited the financial statements of AMD Environmental Limited (the 'company') for the year ended 30 November 2018 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# AMD ENVIRONMENTAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AMD ENVIRONMENTAL LIMITED

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#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### Responsibilities of directors

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

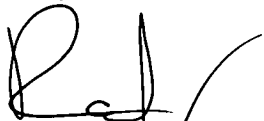
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



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

2/8/19

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

# AMD ENVIRONMENTAL LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	19,841,703	20,182,583
Cost of sales		(15,919,821)	(16,292,379)
<b>Gross profit</b>		<b>3,921,882</b>	<b>3,890,204</b>
Administrative expenses		(1,480,207)	(1,655,834)
Other operating income		121,490	-
<b>Operating profit</b>	4	<b>2,563,165</b>	<b>2,234,370</b>
Interest receivable and similar income	7	8,815	2,854
Interest payable and similar expenses	8	(797)	(91)
<b>Profit before taxation</b>		<b>2,571,183</b>	<b>2,237,133</b>
Tax on profit	9	(500,601)	(447,114)
<b>Profit for the financial year</b>		<b>2,070,582</b>	<b>1,790,019</b>
Retained earnings brought forward		3,255,889	3,157,005
Dividends	10	(1,135,431)	(1,691,135)
Retained earnings carried forward		<u>4,191,040</u>	<u>3,255,889</u>

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

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

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

The notes on pages 11 to 23 form part of these financial statements.

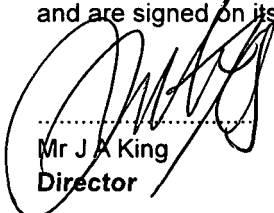
# AMD ENVIRONMENTAL LIMITED

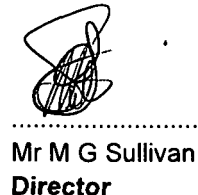
## BALANCE SHEET

AS AT 30 NOVEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		49,228		42,861
Investments	12		1		-
			<u>49,229</u>		<u>42,861</u>
<b>Current assets</b>					
Stocks	15	1,000		1,000	
Debtors	17	6,738,445		5,368,224	
Cash at bank and in hand		3,989,640		3,694,559	
		<u>10,729,085</u>		<u>9,063,783</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(6,578,705)</u>		<u>(5,843,498)</u>	
<b>Net current assets</b>			<u>4,150,380</u>		<u>3,220,285</u>
<b>Total assets less current liabilities</b>			<u>4,199,609</u>		<u>3,263,146</u>
<b>Provisions for liabilities</b>	19		<u>(8,339)</u>		<u>(7,027)</u>
<b>Net assets</b>			<u>4,191,270</u>		<u>3,256,119</u>
<b>Capital and reserves</b>					
Called up share capital	21		230		230
Profit and loss reserves	22		4,191,040		3,255,889
<b>Total equity</b>			<u>4,191,270</u>		<u>3,256,119</u>

The financial statements were approved by the board of directors and authorised for issue on 21/8/19 and are signed on its behalf by:

  
Mr J A King  
Director

  
Mr M G Sullivan  
Director

Company Registration No. 02448655

The notes on pages 11 to 23 form part of the financial statements

# AMD ENVIRONMENTAL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	1,370,211		1,379,425	
Interest paid		(797)		(91)	
Income taxes paid		(266,139)		(442,059)	
<b>Net cash inflow from operating activities</b>		<b>1,103,275</b>		<b>937,275</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(20,156)		(9,972)	
Purchase of investment		(1)		-	
Repayment of loans		338,579		(345,681)	
Interest received		8,815		2,854	
<b>Net cash generated from/(used in) investing activities</b>		<b>327,237</b>		<b>(352,799)</b>	
<b>Financing activities</b>					
Dividends paid		(1,135,431)		(1,691,135)	
<b>Net cash used in financing activities</b>		<b>(1,135,431)</b>		<b>(1,691,135)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>295,081</b>		<b>(1,106,659)</b>	
Cash and cash equivalents at beginning of year		3,694,559		4,801,218	
<b>Cash and cash equivalents at end of year</b>		<b>3,989,640</b>		<b>3,694,559</b>	

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2018

---

### 1 Accounting policies

#### Company information

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

#### 1.1 Accounting convention

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

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

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

The parent's subsidiary is required to be excluded from consolidation by paragraph 9.9 as it is dormant.

#### 1.2 Going concern

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

#### 1.3 Turnover

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

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

#### 1.4 Tangible fixed assets

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

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

Plant and machinery	20% Reducing balance
---------------------	----------------------

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

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.6 Stocks

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

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

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

#### 1.7 Construction contracts

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

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

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

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

#### 1.8 Cash at bank and in hand

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

#### 1.9 Financial instruments

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

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

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

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

#### **1.10 Equity instruments**

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

#### **1.11 Taxation**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

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

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

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

#### 1.13 Retirement benefits

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

#### 1.14 Leases

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

#### 1.15 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

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

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Revenue	19,841,703	20,182,583
	<u>                    </u>	<u>                    </u>
	<b>2018</b>	<b>2017</b>
	£	£
<b>Other significant revenue</b>		
Interest income	8,815	2,854
	<u>                    </u>	<u>                    </u>

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 3 Turnover and other revenue

(Continued)

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

### 4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Exchange (gains)/losses	-	91
Fees payable to the company's auditor for the audit of the company's financial statements	15,600	15,600
Depreciation of owned tangible fixed assets	12,307	10,715
Loss on disposal of tangible fixed assets	1,482	24,570
Cost of stocks recognised as an expense	6,073,051	6,352,443
Operating lease charges	119,096	110,765
	<u>                    </u>	<u>                    </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £- (2017 - £91).

### 5 Employees

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

	2018	2017
	Number	Number
Engineers	36	32
Administration	14	14
	<u>                    </u>	<u>                    </u>
	50	46
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	2,367,756	2,270,155
Social security costs	329,447	230,653
Pension costs	25,811	145,911
	<u>                    </u>	<u>                    </u>
	2,723,014	2,646,719
	<u>                    </u>	<u>                    </u>

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	47,400	181,905
Company pension contributions to defined contribution schemes	-	124,760
	<u>47,400</u>	<u>306,665</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2017 - 4).

### 7 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	8,552	2,854
Other interest income	263	-
	<u>8,815</u>	<u>2,854</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>8,552</u>	<u>2,854</u>
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### 8 Interest payable and similar expenses

	2018 £	2017 £
<b>Other finance costs:</b>		
Other interest	<u>797</u>	<u>91</u>

### 9 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>499,289</u>	<u>452,134</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>1,312</u>	<u>(5,020)</u>
	<u>500,601</u>	<u>447,114</u>

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 9 Taxation

(Continued)

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

	2018 £	2017 £
Profit before taxation	2,571,183	2,237,133
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.33%)	488,525	432,471
Tax effect of expenses that are not deductible in determining taxable profit	12,478	19,795
Permanent capital allowances in excess of depreciation	(1,714)	(132)
Other non-reversing timing differences	1,312	(5,020)
Taxation charge for the year	500,601	447,114

### 10 Dividends

	2018 £	2017 £
Final paid	550,000	1,140,100
Interim paid	585,431	551,035
	1,135,431	1,691,135

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 11 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 1 December 2017	79,449
Additions	20,156
Disposals	(2,316)
At 30 November 2018	<u>97,290</u>
<b>Depreciation and impairment</b>	
At 1 December 2017	36,588
Depreciation charged in the year	12,307
Eliminated in respect of disposals	(834)
At 30 November 2018	<u>48,062</u>
<b>Carrying amount</b>	
At 30 November 2018	<u>49,228</u>
At 30 November 2017	<u>42,861</u>

### 12 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	13	<u>1</u>	<u>-</u>

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 December 2017	-
Additions	1
At 30 November 2018	<u>1</u>
<b>Carrying amount</b>	
At 30 November 2018	<u>1</u>
At 30 November 2017	<u>-</u>

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 13 Subsidiaries

Details of the company's subsidiaries at 30 November 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
AMD (FM) Ltd	UK	Dormant	Ordinary	100.00	

### 14 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,075,458	1,902,783
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	5,714,200	5,491,538

### 15 Stocks

	2018 £	2017 £
Finished goods and goods for resale	1,000	1,000

### 16 Construction contracts

	2018 £	2017 £
<b>Contracts in progress at the reporting date</b>		
Gross amounts owed by contract customers included in debtors	3,607,461	3,433,435
Gross amounts owed to contract customers included in creditors	(2,071,160)	(1,949,327)

### 17 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,988,325	1,557,102
Gross amounts owed by contract customers	3,607,461	3,433,435
Other debtors	7,133	345,681
Prepayments and accrued income	135,526	32,006
	6,738,445	5,368,224

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

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 18 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,345,101	3,213,017
Gross amounts owed to contract customers	2,071,160	1,949,327
Corporation tax	367,108	133,958
Other taxation and social security	497,397	218,002
Other creditors	2,663	701
Accruals and deferred income	295,276	328,493
	<u>6,578,705</u>	<u>5,843,498</u>

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

### 19 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	20	8,339	7,027
		<u>8,339</u>	<u>7,027</u>

### 20 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Accelerated capital allowances	8,339	7,027
	<u>8,339</u>	<u>7,027</u>
<b>Movements in the year:</b>		2018 £
Liability at 1 December 2017		7,027
Charge to profit or loss		1,312
		<u>8,339</u>
Liability at 30 November 2018		<u>8,339</u>

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

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 21 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary of £1 each	100	100
86 A Ordinary shares of £1 each	86	86
2 B Ordinary shares of £1 each	2	2
1 C Ordinary shares of £1 each	1	1
1 D Ordinary shares of £1 each	1	1
14 E Ordinary shares of £1 each	14	14
26 F Ordinary shares of £1 each	26	26
	<u>230</u>	<u>230</u>

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

### 22 Profit and loss reserves

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

### 23 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	25,811	145,911
	<u>25,811</u>	<u>145,911</u>

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

### 24 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	2,070,582	1,790,019
<b>Adjustments for:</b>		
Taxation charged	500,601	447,114
Finance costs	797	91
Investment income	(8,815)	(2,854)
Loss on disposal of tangible fixed assets	1,482	24,570
Depreciation and impairment of tangible fixed assets	12,307	10,715
<b>Movements in working capital:</b>		
Increase in debtors	(1,708,800)	(2,197,334)
Increase in creditors	502,057	1,307,104
<b>Cash generated from operations</b>	<u>1,370,211</u>	<u>1,379,425</u>

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 25 Operating lease commitments

#### Lessee

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

	2018	2017
	£	£
Within one year	105,739	108,126
Between two and five years	386,558	395,545
In over five years	117,333	205,333
	<u>609,630</u>	<u>709,004</u>

### 26 Related party transactions

#### Transactions with related parties

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

	Sale of goods	
	2018	2017
	£	£
Proactive Engineering Consultants Limited -A company with common shareholder and director	-	51,586
	<u>-</u>	<u>51,586</u>

The company's office premises are leased from the Amdail Pension Scheme - a self administered pension scheme for the benefit of J. King and the Tower Pension Trustees Limited - a self administered pension scheme for the benefit of M. Sullivan, J. Gray and D. Pearce. The rental payments made during the year was £88,000 (2017: £88,000).

# AMD ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

### 26 Related party transactions

(Continued)

	2018 Balance £
<b>Amounts owed by related parties</b>	
Other related parties	7,102
	<u>          </u>
	<u>          </u>
	2017 Balance £
<b>Amounts owed in previous period</b>	
Other related parties	345,681
	<u>          </u>
	<u>          </u>

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

Dividends totalling £1,135,431 (2017: £1,691,135) were paid in the year in respect of shares held by the company's directors.

### 27 Ultimate controlling party

During both periods, the company was controlled by J A King and M G Sullivan by virtue of equal shareholding.