

REGISTERED NUMBER: SC205639

**CLOUGH (UK) LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**



CLOUGH (UK) LIMITED

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Year Ended 30 June 2016

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CLOUGH (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Year Ended 30 June 2016

DIRECTORS: Rajiv Virendra Ratneser
Richard Francis Simons

REGISTERED OFFICE: 3 Riverside Way
Riverside Business Park
Irvine
Ayrshire
Scotland
KA11 5DJ

REGISTERED NUMBER: SC205639

INDEPENDENT AUDITOR: Deloitte (NI) Limited
19 Bedford Street
Belfast
BT2 7EJ
United Kingdom

BANKERS: HSBC Bank PLC
Scotland Corporate Banking Centre
First Floor, 141 Bothwell Street
Glasgow
G2 7EQ

CLOUGH (UK) LIMITED

DIRECTORS' REPORT

Year ended 30 June 2016

The directors present their report together with the financial statements of the company for the year ended 30 June 2016. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. This includes exemption from the preparation of a strategic report.

PRINCIPAL ACTIVITY

During the year ended 30 June 2016, the Company head office was closed down and the majority of employees transferred to the subsidiary company. The Company will continue as a Holding Company of the investment in its Subsidiary, Booth Welsh (Holdings) Ltd.

During the year ended 30 June 2016, Clough Operations Pty Ltd (a group company) released and discharged the Company from its obligations to pay its outstanding debt. No interest or principal were required to be paid.

DIRECTORS

The directors who served throughout the year and to the date of this report were as follows:

Rajiv Virendra Ratneser (appointed 15 December 2016)

Richard Francis Simons

Thomas John Dockray (resigned 15 December 2016)

GOING CONCERN

The company continues to receive financial support from the parent company. Despite the closure of its Head Office, and transfer of a number of staff to its subsidiary, to reinforce their commitment to continue to have an operational presence in the UK, the parent company has provided a letter of continuing financial support. Having received these assurances, and considered the ability of the parent company to provide support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider that it is appropriate to continue to prepare these accounts on a going concern basis.

AUDITOR

Each of the directors of the company at the date when this report is approved confirms that:

- so far as each of the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

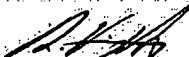
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte (NI) Limited have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified about the intention to take advantage of the disclosure exemptions and no objections have been received.

On behalf of the Board:



Rajiv Virendra Ratneser, Director

21 April 2017

CLOUGH (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

Year ended 30 June 2016

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOUGH (UK) LIMITED

We have audited the financial statements of Clough (UK) Limited for the year ended 30 June 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report or from the requirement to prepare a strategic report.

Dawn Johnston

Dawn Johnston FCA (Senior Statutory Auditor)
for and on behalf of Deloitte (NI) Limited
Chartered Accountants and Statutory Auditor
Belfast, UK
21 April 2017

CLOUGH (UK) LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS****For the year ended 30 June 2016**

	Note	2016 £	2015 £
Turnover	3	967,216	314,085
Cost of Sales		<u>(214,202)</u>	<u>(47,045)</u>
Gross profit		753,014	267,040
Labour costs		(1,223,876)	(949,746)
Depreciation expense	4	(22,249)	(52,322)
Administrative expenses	4	<u>(557,195)</u>	<u>(596,938)</u>
OPERATING LOSS	4	<u>(1,050,306)</u>	<u>(1,331,966)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,505,306)	(1,331,966)
Taxation	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		<u>(1,050,306)</u>	<u>(1,331,966)</u>
Retained loss at 1 July		(2,379,902)	(1,047,936)
Retained loss at 30 June		<u>(3,430,208)</u>	<u>(2,379,902)</u>

All activities in the current and the prior year derive from continuing operations.

There are no recognised gains and losses other than the loss for the current and previous financial years. Accordingly, no statement of comprehensive income is presented.

The accompanying notes form part of these financial statements.

CLOUGH (UK) LIMITED**BALANCE SHEET****For the year ended 30 June 2016**

	Note	30 June 2016 £	30 June 2015 £
NON CURRENT ASSETS			
Property, plant and equipment	6	84,647	105,235
Investments	7	5,666,010	4,350,000
		<u>5,750,657</u>	<u>4,455,235</u>
CURRENT ASSETS			
Debtors — due within one year	8	258,134	306,189
Debtors — due after more than one year	8	3,970,000	4,570,000
Cash at bank and in hand		74,842	37,930
		<u>4,302,976</u>	<u>4,914,119</u>
CREDITORS: amounts falling due within one year	10	(400,721)	(2,579,255)
CREDITORS: amounts falling due more than one year	10	(1,316,010)	
		<u>3,902,255</u>	<u>2,334,864</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>3,902,255</u>	<u>2,334,864</u>
NET ASSETS/(LIABILITIES)		<u>8,336,902</u>	<u>6,790,099</u>
CAPITAL AND RESERVES			
Called up share capital	11	9,170,001	9,170,001
Contribution Reserve	12	2,597,109	
Profit and loss account		(3,430,208)	(2,379,902)
		<u>8,336,902</u>	<u>6,790,099</u>
SHAREHOLDERS' FUNDS/(DEFICIT)		<u>8,336,902</u>	<u>6,790,099</u>

The accompanying notes 1 to 16 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Clough (UK) Limited, registered number SC205639, were approved by the Board of Directors and authorised for issue on 30 March 2017.

Rajiv Virendra Ratneser


Director

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year, except where otherwise stated.

General information and basis of accounting

Clough (UK) Limited ('the Company') is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see Note 16.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Clough Limited, which may be obtained at 34 Parliament Place, West Perth, Australia. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The subsidiary company has not been consolidated by Clough (UK) Limited as permitted by s400 of the Companies Act 2006 as it is consolidated in the financial statements of Clough Limited.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	5 years
Computer & office equipment	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax. Turnover from the sale of services is recognised when the services have been provided.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the related contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and financial liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet certain conditions are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided for at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Investments

Investments in subsidiaries are measured at cost less impairment.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATED UNCERTAINTY

Critical judgements in applying the Company's accounting policies

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical accounting judgements:

- The Company recognises accrued expenses based on information received by the supplier at month end with regards to services provided to date and expected costs. Where information cannot be obtained, reasonable estimates are made based on performance to date and past costs.
- The Company has given consideration to the recoverability of the amounts owed by group undertakings and considers this to be recoverable.
- The Company recognises investment in the subsidiary at cost and is not considered impaired.

Key sources of estimation uncertainty

The Company's Financial Statements do not include any sources of estimation uncertainty.

3. TURNOVER

Turnover of £967,216 (2015: £314,085) includes the recharge at mark-up of salary cost and other related expenses of £649,507 (2015: £305,001) of its employees to another group company.

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging/(crediting):

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Fee payable to the company's auditor for the audit of the company's annual accounts	7,650	6,250
Operating lease - property	77,639	71,033
Depreciation	22,249	52,322
Foreign Exchange loss/(gain)	6,503	(1,490)
Loss on disposal of fixed assets	13,939	-
Earn-Out consideration for acquisition of Booth Welsh	1,316,010	-

The directors received no emoluments for their services to the company in the current or prior year.

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

5. TAXATION

Analysis of the tax charge

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Tax charge for the period comprises:		
Current tax on profit on ordinary activities		
UK corporation tax	-	-
	-	-
	<u>-</u>	<u>-</u>
Factors affecting charge		
Loss on ordinary activities before tax	(2,366,316)	(1,331,966)
	<u>(2,366,316)</u>	<u>(1,331,966)</u>
Tax charge on ordinary activities at effective standard rate of 20% (2015 – 20%)	(473,263)	(266,393)
Factors affecting charge for the year		
Income not chargeable to corporation tax	-	-
Tax losses carried forward	473,263	266,393
	<u>473,263</u>	<u>266,393</u>
Total current tax	-	-
	<u>-</u>	<u>-</u>

The tax charge in future periods may be affected by the utilisation of tax losses going forward. The Company earns profits primarily in the United Kingdom. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, 20% at the balance sheet date.

The Finance Act 2015 has provided that from 1 April 2017 taxable profits will be taxed at a rate of 19% and from 1 April 2020 will be taxed at 18%. Proposed in the Financial Bill 2016 but not yet enacted is a further reduction in the tax rate to 17% from 1 April 2020.

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £	Computer & office equipment £	Total £
Cost			
At 1 July 2015	20,651	154,872	175,523
Additions	-	15,600	15,600
Disposals	(11,889)	(8,695)	(20,584)
At 30 June 2016	<u>8,762</u>	<u>161,777</u>	<u>170,539</u>
Depreciation			
At 1 July 2015	5,144	65,144	70,288
Charge for the year	3,339	18,910	22,249
Disposals	(4,557)	(2,088)	(6,645)
At 30 June 2016	<u>3,926</u>	<u>81,966</u>	<u>85,892</u>
Net book value			
At 30 June 2016	<u>4,836</u>	<u>79,811</u>	<u>84,647</u>
At 1 July 2015	<u>15,507</u>	<u>89,728</u>	<u>105,235</u>

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

7. INVESTMENTS

Total fixed asset investments comprise interests in subsidiaries.

During the prior year the company acquired the entire issued share capital of BWA (Holdings) Limited, and, indirectly, its wholly owned subsidiary, Booth Welsh Automation Limited. Under the terms of the acquisition agreement, the purchase consideration comprises an Upfront Payment and Earnout Consideration. The Earnout Consideration is calculated by reference to the average profits per the consolidated accounts of BWA (Holdings) Limited for the three years ended 30 September 2017. The Earnout Consideration is capped at £11,300,000. Earnout Consideration has been estimated at £1,316,010 based on the EBITDA of BWA (Holdings) Limited from acquisition date to year ended 30 June 2016 and has been accrued at 30 June 2016.

Cost of subsidiary undertaking:

£

At 1 July 2015	4,350,000
Additions	1,316,010
At 30 June 2016	<u>5,666,010</u>

	Type of shares held	Proportion held (%)	Country of incorporation	Nature of Business
BWA (Holdings) Limited	Ordinary	100%	United Kingdom	Holding company
Booth Welsh Automation Limited	Indirect interest in ordinary shares	100%	United Kingdom	Engineering Services

8. DEBTORS:

	30 June 2016 £	30 June 2015 £
Amounts falling due within one year:		
Other debtors	<u>258,134</u>	<u>306,189</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>3,970,000</u>	<u>4,570,000</u>

Other debtors are due within 30 days of receiving the invoice from the company.

9. DEFERRED TAXATION

No deferred tax asset is recognised on losses forward due to the uncertainty over the timing of recovery.

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2016 £	30 June 2015 £
Amounts owed to group undertakings	150,606	2,219,903
Other creditors	118,097	178,448
Other tax and social security	51,047	37,928
Accruals and deferred income	80,971	142,976
	<u>400,721</u>	<u>2,579,255</u>

CREDITORS: AMOUNTS FALLING DUE MORE THAN ONE YEAR

	30 June 2016 £	30 June 2015 £
Earn Out consideration to Booth Welsh	<u>1,316,010</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

	30 June 2016 £	30 June 2015 £
Called up, allotted and fully paid		
9,170,001 ordinary share of £1	<u>9,170,001</u>	<u>9,170,001</u>

During the prior year 9,170,000 ordinary shares of £1 each were issued, allotted and fully paid for cash at par.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

12. CONTRIBUTION RESERVE

During the year, amounts owed to group undertakings were redesignated into a loan and then irrevocably forgiven under a Deed of Release dated 30 June 2016. The debt waiver is treated as capital contribution for Clough (UK) Limited and therefore recognised in the equity contributions reverse.

13. FINANCIAL COMMITMENTS

There are no financial commitments for the Company at 30 June 2016.

14. ULTIMATE PARENT COMPANY

The financial statements of the company are consolidated into the group financial statements of Clough Limited, a company registered in Australia. Clough Limited is the smallest group preparing consolidated accounts including this entity.

Copies of consolidated accounts of Clough Limited can be obtained from 34 Parliament Place, West Perth, Western Australia.

The ultimate parent entity is Murray & Roberts Holdings Limited, a company incorporated in South Africa. Murray & Roberts Holdings Limited is the largest group preparing consolidated accounts including this entity.

CLOUGH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2016

15. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption allowed in section 33.1A of FRS102 not to disclose transactions with wholly owned group companies that are part of a group where consolidated accounts of the group are publicly available.

16. TRANSITION TO FRS 102

This is the first year the Company has presented its financial statements under Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2014.

There has been no material impact on the financial position and financial performance from the transition to FRS 102.