AECOM Limited

Report and Financial Statements

2 October 2015

Directors
KJ Booth
PP Flaherty
AN Jones
IL MacFadyen

Secretary
AP Poole

Auditors
Ernst & Young LLP
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London SE1 2AF

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AECOM House
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Registered No. 01846493

Strategic Report

For the year ended 2 October 2015

The Directors present their Strategic Report for the year ended 2 October 2015.

Review of the business

The company's key financial and other performance indicators during the year were as follows:

	2015	*2014*	
	£000	*£000*	*Change*
Turnover	257,474	218,077	18%
Pre-tax profit	8,991	7,908	14%
Turnover per technical staff member	90	88	2%
	No.	No.	
Average number of employees	3,175	2,836	12%

The Directors are pleased to report an improvement across the above key financial indicators in the year under review. An 18% increase in turnover reflected the continued recovery across the company's key markets and sectors and builds on the progress reported previously. The company continues to benefit from AECOM's global reach and reputation, winning work on the international stage of a multi-disciplinary nature, this, together with a continued focus on the successful execution of projects, strong management of the cost base and improved cash generation combined to deliver a 14% increase in pre-tax profits in 2015.

On 17 October 2014, AECOM acquired URS Corp. The vision of the combined group is to become the premier, fully integrated infrastructure firm in the world, with the ability to design, build, finance and operate infrastructure assets in all the end markets in which the group chooses to participate. In the United Kingdom the acquisition of URS has significantly increased the market presence of AECOM and the businesses are being rapidly integrated.

The company participated in a commercial services agreement with a fellow subsidiary undertaking based in Ireland which terminated with effect from 31 March 2015..

Future developments

In line with recent economic indicators the Directors anticipate that the year ahead will continue to provide opportunities to grow and strengthen the business. In common with 2015, growth is expected to continue to arise through a combination of local and overseas opportunities, winning and executing larger projects in partnership with the wider AECOM EMIA region. The Directors remain committed to driving down costs and improving efficiency generally across the business.

The transfers of trades of AECOM Professional Services LLP and Project Space UK Limited on 3 October 2015 are expected to generate further cost savings, principally from the streamlining of the business processes. In addition, the combined strengths of AECOM and the URS businesses in the United Kingdom are expected to enhance client offerings and consolidate market share.

Strategic Report (continued)

For the year ended 2 October 2015

Events since balance sheet date

On 3 October 2015, the trade, assets (excluding certain investments), and liabilities of AECOM Professional Services LLP and Project Space UK Limited, were transferred to the company. The transactions were part of a wider AECOM group strategy to develop the UK business and streamline its operations.

Principal risks and uncertainties

The principal risks and uncertainties for the company are broadly classed as liquidity risk, credit risk, competitive and market risk and performance/delivery risk. The company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the company's businesses whilst managing its risks.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation from its operations and applying cash collection targets. The company also manages liquidity risk via a credit facility made available from a fellow subsidiary undertaking, AECOM Global Ireland Services Limited.

Credit risk

Credit risk arises from the potential failure of counter-parties to the company honouring their financial obligations. The company's policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Competitive and market risk

The company operates in a highly competitive industry which can impact upon its ability to win new work and also dilute its margins. The company mitigates these risks by effective cost management thereby allowing it to remain competitive and to deliver the required results. Management also monitors bid tendering processes to ensure forecast bid margins remain satisfactory.

Performance/delivery risk

Performance risk arises with the nature of the environment in which the company operates. Failure to deliver to time and agreed scope can lead to the company sustaining losses through cost overruns and client claims. Management monitors performance on significant contracts rigorously and takes appropriate action when considered necessary to address performance and delivery issues.

On behalf of the Board

KJ Booth
Director

25 April 2016

Directors' Report

For the year ended 2 October 2015

The Directors present their report for the year ended 2 October 2015.

Results and dividends

The profit for the year after taxation amounted to £6,655,000 (2014 – profit of £6,337,000). The Directors are unable to recommend a payment of a dividend (2014: £nil).

Principal activity

The company's principal activity during the year continued to be that of consulting engineers in the design of building and civil engineering projects, transportation planning, facilities and asset management, transportation infrastructure, planning, design and development and environmental waste and water.

The company operates branches in Ireland, Greece and Bulgaria, whose results are included in those of the company.

Directors

The Directors who served the company during the year and up to the date of this report were as follows:

KJ Booth (appointed 31 October 2014)
PP Flaherty (appointed 31 October 2014)
AN Jones
IL MacFadyen (appointed 4 December 2015)
JA Armstrong (resigned 31 March 2015)
DW Glover (resigned 31 October 2014)
G Howells (resigned 4 December 2015)
SJ Morriss (resigned 1 April 2015)

No director has any interest in the shares of the company or other interests that require disclosure under the Companies Act 2006.

Directors' indemnity insurance is in place for all Directors, subject to the conditions set out in section 234 of the Companies Act 2006. Such indemnity insurance remains in force as at the date of approving the Directors' report.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to risks and uncertainties are described in the Strategic Report on page 3. The company has access to the considerable financial resources of the AECOM Group. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The Directors have received written confirmation of financial support, from the ultimate parent undertaking, for a period at least 12 months from the date of approval of the financial statements.

Equal opportunities

The company is committed to building an organisation that makes full use of the talents, skills, experience and different cultural perspectives available in a multi-ethnic society, and an organisation where people feel they are respected and valued and can achieve their full potential regardless of their race, nationality or ethnic origins, sex, age, marital status, responsibility for dependants, disability, sexual orientation or religious beliefs.

It is the company's policy to ensure that all applicants and staff receive equal treatment for selection, training and promotion.

Directors' Report (continued)

For the year ended 2 October 2015

Employee involvement

The Directors recognise the individual importance of every employee and seek to ensure that at all times employees are well informed concerning the activities and plans of the company.

All levels of management are expected and encouraged to keep their employees informed of all activities and developments in an informal and formal manner. Communication with employees continues through newsletters, briefing groups and corporate communication systems.

Policy and practice on payment of creditors

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and suppliers, provided that all terms and conditions have been complied with.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow Directors and the company's auditor, each Director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

KJ Booth
Director

25 April 2016

Statement of Directors' Responsibilities

For the year ended 2 October 2015

The Directors are responsible for preparing the Strategic Report, the Directors' 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 judgments 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; 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 AECOM Limited

We have audited the financial statements of AECOM Limited for the year ended 2 October 20015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of cash flows and the related notes 1 to 24. 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).

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 Statement of Directors' Responsibilities set out on page 6, 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 Strategic Report and Directors' 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 October 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

to the members of AECOM Limited

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.

Ernst & Young

Adrian Mulea
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

27 April 2016

Profit and loss account

For the year ended 2 October 2015

	Notes	2015 £000	2014 £000
Turnover	2	257,474	218,077
Cost of sales		(164,016)	(129,845)
Gross profit		93,458	88,232
Administrative expenses		(85,519)	(79,928)
Operating profit	3	7,939	8,304
Interest receivable and similar income		201	102
Interest payable and similar charges	6	(1,489)	(823)
Net finance income in respect of defined benefit pension schemes	18	2,340	325
Profit on ordinary activities before taxation		8,991	7,908
Tax	7	(2,336)	(1,571)
Profit for the financial year	16	6,655	6,337

All amounts relate to continuing activities.

Statement of total recognised gains and losses

For the year ended 2 October 2015

	Notes	2015 £000	(restated) 2014 £000
Profit for the financial year		6,655	6,337
Actuarial loss in respect of defined benefit pension schemes	18	(6,909)	(3,169)
Related deferred tax movement		1,380	721
Total recognised gains relating to the year		1,126	3,889

Balance sheet

At 2 October 2015

	Notes	2015 £000	(restated) 2014 £000
Fixed assets			
Intangible assets	8	6,614	7,320
Tangible assets	9	6,563	6,581
Investments	10	2,963	2,963
		16,140	16,864
Current assets			
Debtors	11	106,772	85,646
Cash at bank and in hand		13,341	7,406
		120,113	93,052
Creditors: amounts falling due within one year	12	(99,868)	(72,087)
Net current assets		20,245	20,965
Total assets less current liabilities		36,385	37,829
Creditors: amounts falling due after more than one year	13	(141)	(340)
Provisions for liabilities	14	(3,140)	(4,344)
Net assets excluding pension liability		33,104	33,145
Pension liability	18	(17,764)	(18,931)
Net assets		15,340	14,214
Capital and reserves			
Called up share capital	15	17,525	17,525
Share premium account	16	23,861	23,861
Profit and loss account	16	(26,046)	(27,172)
Equity Shareholders' funds	16	15,340	14,214

The financial statements were approved by the Board of Directors and were signed on its behalf by:

KJ Booth

Director

25 April 2016

Statement of cash flows

For the year ended 2 October 2015

	Note	2015 £000	2014 £000
Net cash inflow from operating activities	17(a)	10,188	4,006
Returns on investments and servicing of finance			
Interest received		201	103
Interest element of finance lease rental payments		(12)	(5)
Interest paid		(1,477)	(818)
Net cash outflow from returns on investments and servicing of finance		(1,288)	(720)
Taxation			
Overseas tax paid		(429)	(14)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	9	(2,283)	(2,706)
Receipts from sale of tangible fixed assets		-	134
Net cash outflow from capital expenditure and financial investment		(2,283)	(2,572)
Financing			
New finance lease obligations		-	600
Repayment of capital element of finance lease		(253)	(42)
		(253)	558
Increase in cash	17 (b)	5,935	1,258

Notes to the financial statements

At 2 October 2015

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Prior year adjustment

In preparing the financial statements for the current year, the company noted that in the previous accounting period the calculation of the net pension liability omitted certain actuarial gains relating to one of the company's defined benefit pension schemes. Consequently, the prior year comparative figures have been restated. The effect of the restatement is that the net pension has decreased by £11,201,000 as at 3 October 2014 compared with the previous reported amount. The retained deficit has reduced by £7,601,000 as at 3 October 2014 compared with the previous reported amount through the effect of prior year deferred tax movements.

There is no impact on reported profits for the current or prior reporting period as such amounts are accounted for as actuarial gains via the Statement of Total Recognised Gains and Losses.

Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group.

The company is a wholly owned subsidiary of AECOM Holdings Limited, which is incorporated in England and Wales. The results of the company are included in the group financial statements of AECOM, a company incorporated in the United States of America, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing group financial statements under the terms of FRS 2.

Related party transactions

The company has taken advantage of the exemption in FRS 8, paragraph 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate parent undertaking.

Going concern

The company has access to the considerable financial resources of the AECOM Group. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The Directors have received written confirmation of financial support, from the ultimate parent undertaking, for a period at least 12 months from the date of approval of the financial statements.

Turnover and contracts

Turnover represents the movement in the year in the cumulative valuation of work carried out on contracts, stated net of value added tax and trade discounts.

Profit on contracts is determined on a contract by contract basis as that proportion of the total expected profit as represented by the degree of completion of the contract by reference to comparing the costs incurred to date with the expected total costs and is only recognised if the final outcome can be assessed with reasonable certainty.

Where turnover, on a contract by contract basis, exceeds amounts invoiced, the excess is classified as amounts recoverable on contracts and included in debtors. Where amounts invoiced, on a contract by contract basis, exceed turnover, the excess is classified as payments on account and included in creditors.

Provision has been made for all losses expected to arise on completion of the contracts entered into at the balance sheet date where total costs are expected to exceed total revenues.

Notes to the financial statements

1. Accounting policies (continued)

Goodwill

Goodwill is the difference between the cost of an acquired business and the aggregate of the fair value of that business's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an intangible asset on the balance sheet and amortised on a straight line basis over its useful economic life. The current useful life of goodwill is estimated by the Directors at 5 to 20 years according to the nature of the business acquired. It is reviewed for impairment at the end of the first full financial year following the acquisition for events or changes in circumstances which indicate that the carrying value may not be recoverable, and regularly thereafter.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates and periods used are:

Furniture and equipment	–	20% straight-line per annum
Computer equipment	–	33% straight-line per annum
Leasehold property and improvements	–	shorter of 10 years and the term of the lease

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the Directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term, subject to any onerous lease terms, for which provision is recognised in the period the onerous terms arise.

The benefits of any property lease incentives are recognised in the profit and loss account over the life of the lease or in the period to the first rent review if shorter.

Notes to the financial statements

1. Accounting policies (continued)

Pensions

The company operates three defined benefit pension schemes, all of which require contributions to be made to separately administered funds.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit method, which attributes entitlements to benefits to the current period (to determine current service costs) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in the Profit and Loss Account on a straight line basis over the vesting period or immediately if the benefits have vested. When a settlement or curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account. Losses are measured at the date that the employer becomes demonstrably committed to the transactions and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest costs is recognised in the profit and loss account as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of total recognised gains and losses in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated AA or equivalent status), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the schemes.

The company also operates three defined contribution schemes. The contributions are charged in the profit and loss account as they become payable in accordance with the rules of the schemes.

Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is recharged by the ultimate parent undertaking, AECOM, through management recharges.

The cost is measured by reference to the fair value at the date at which the related awards are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award (generally three years). Fair value is taken to be the market value of the underlying shares at the grant date. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions). No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account.

Notes to the financial statements

1. Accounting policies (continued)

Investments

Investments are carried at cost less accumulated impairment losses, where applicable.

The carrying values of investments are reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

2. Turnover

Turnover represents the value of work done on completed and partially completed contracts and out of pocket expenses recoverable, net of value added tax.

An analysis of turnover by geographical market is given below:

	2015	*2014*
	£000	*£000*
United Kingdom	190,638	186,383
Europe	13,929	10,944
Middle East	46,174	4,566
Rest of the World	6,733	16,184
	257,474	218,077

3. Operating profit

This is stated after charging/ (crediting):

		2015	*2014*
		£000	*£000*
Auditors' remuneration	– audit of the financial statements of the Company	180	165
	– audit fees borne in connection with the audit of other group companies	89	62
	– taxation compliance	41	58
	– other services	28	15
Depreciation of tangible fixed assets held under finance lease		203	48
Depreciation of tangible fixed assets – owned assets (note 9)		2,039	1,559
Amortisation of goodwill (note 8)		706	976
Loss / (profit) on sale of fixed assets		59	(40)
Share based payments		1,331	1,039
Net exchange loss on foreign currency borrowings		851	713
Operating lease rentals	– plant and machinery	2,580	2,169
	– land and buildings (includes rent, rates and service charge)	8,545	6,883

Notes to the financial statements

4. Directors' remuneration

	2015	*2014*
	£000	*£000*
Remuneration of all Directors who served during the year	1,762	1,428
Company contributions to money purchase pension schemes	60	62
	1,822	1,490

	2015	*2014*
	No.	*No.*
Number of Directors who received shares in respect of qualifying services	6	4
Number of Directors who exercised share options	3	3

Retirement benefits are accruing to the following numbers of Directors who served during the year:	*No.*	*No.*
Money purchase schemes	5	5
Defined benefit schemes	1	1

	2015	*2014*
Highest paid director	*£000*	*£000*
Aggregate remuneration	466	533

5. Staff costs

	2015	*2014*
	£000	*£000*
Wages and salaries	134,278	118,951
Social security costs	13,859	12,064
Other pension costs	5,779	5,077
	153,916	136,092

The average monthly number of employees during the year was made up as follows:

	No.	*No.*
By activity:		
Engineering and technical	2,861	2,469
Administration and finance	314	367
	3,175	2,836

Notes to the financial statements

6. Interest payable and similar charges

	2015 £000	2014 £000
Finance charges payable under finance leases	12	5
Interest payable to group undertakings	1,477	818
	1,489	823

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK corporation tax on profit for the year	–	–
Foreign tax	437	1,646
Total current tax charge (note 7(b))	437	1,646
Deferred tax:		
Origination and reversal of timing differences	1,794	355
Prior year adjustment	105	(509)
Effect of rate change	-	79
Total deferred tax charge/(credit) (note 7(c))	1,899	(75)
Tax on profit on ordinary activities	2,336	1,571

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.5% (2014: 22.0%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	8,991	7,908
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2014: 22%)	1,843	1,739
Effects of:		
Expenses not deductible for tax purposes	(128)	(226)
Accelerated capital allowances	(154)	352
Other timing differences	94	126
Pension tax relief	(1,715)	(1,367)
Goodwill adjustment	126	215
Trading losses	(66)	(839)
Foreign tax	437	1,646
Current tax charge for the year (note 7(a))	437	1,646

Notes to the financial statements

7. Tax (continued)

(c) Deferred tax

Deferred tax is provided at 20% (2014: 20%) in the financial statements as follows:

	2015	*2014*
	£000	*£000*
Timing differences	281	290
Decelerated capital allowances	1,060	2,378
Tax losses	6,106	5,004
Deferred tax asset	7,447	7,672

(d) Factors that may affect future tax charges

The UK corporation tax rate reduced to 20% from April 2015. During the Summer Budget Statement of 8 July 2015, the Chancellor of the Exchequer announced reductions in the main rate of UK corporation tax to 19%, from 1 April 2017, and to 18%, from 1 April 2020. As these rates were not substantively enacted at the balance sheet date they have not been reflected in the deferred tax asset as at 2 October 2015.

8. Intangible fixed assets

	Goodwill
	£000
Cost:	
At 3 October 2014 & 2 October 2015	22,885
Amortisation:	
At 3 October 2014	15,565
Charged during the year	706
At 2 October 2015	16,271
Net book value:	
At 2 October 2015	6,614
At 3 October 2014	7,320

Goodwill is being amortised evenly over the Directors' estimate of its useful economic life of 20 years with the exception of:

- goodwill arising on the acquisition of Mulholland & Doherty Limited is being amortised evenly over the Directors' estimate of its useful economic life of 8 years.

Notes to the financial statements

9. Tangible fixed assets

	Furniture/ equipment £000	Computer equipment £000	Leasehold property improvements £000	Total £000
Cost:				
At 3 October 2014	3,464	7,821	8,481	19,766
Additions	331	893	1,059	2,283
Disposals	-	-	(62)	(62)
At 2 October 2015	3,795	8,714	9,478	21,987
Depreciation:				
At 3 October 2014	3,319	5,559	4,307	13,185
Charged during the year	95	1,179	968	2,242
Charged on disposal	-	-	(3)	(3)
At 2 October 2015	3,414	6,738	5,272	15,424
Net book value:				
At 2 October 2015	381	1,976	4,206	6,563
At 3 October 2014	145	2,262	4,174	6,581

Included in the amounts for computer equipment above are £600,000 (2014: £600,000) of cost and £251,000 (2014: £47,622) of depreciation in relation to assets held under finance leases.

10. Investments

	Interests in joint ventures £000	Interests in associates £000	Shares in group undertakings £000	Total Unlisted investments £000
Cost:				
At 3 October 2014 and 2 October 2015	-	6	3,917	3,923
Impairment:				
At 3 October 2014 and 2 October 2015	-	-	(960)	(960)
Net book value:				
At 3 October 2014 and 2 October 2015	-	6	2,957	2,963

Notes to the financial statements

10. Investments (continued)

Details of investments held in the year are as follows:

Shares in group undertakings

Name of company	*Country of registration/incorporation*	*Principal activity*
AECOM Consult Hellas SA	Greece	Consulting Engineers
AECOM Sp.z o.o.	Poland	Consulting Engineers
Maunsell Structural Plastics Limited	England	Intellectual Property
AKT JV Limited	England	Consulting Engineers
AECOM Environmental Solutions Limited	England	Consulting Engineers
AECOM (Montenegro) doo	Montenegro	Consulting Engineers
Bullen Consultants Limited	England	Consulting Engineers
Mulholland & Doherty Limited	England	Consulting Engineers

AECOM Limited holds 100% of the voting rights and nominal value of issued ordinary shares in the above undertakings with the exception of AKT JV Limited in which it holds 95%.

Interests in associates

Name of company	*Country of registration/incorporation*	*Principal activity*
Grontmij Maunsell Holdings BV (Reg: 30164459)	Netherlands	Parent undertaking
Grontmij Maunsell Infrastructure Consultancy Services BV (Reg: 30164468)	Netherlands	Consulting Engineers

AECOM Limited holds 49% of the voting rights and nominal value of issued ordinary shares in Grontmij Maunsell Holdings BV which in turn holds 100% of the shares and voting rights in Grontmij Maunsell Infrastructure Consultancy Services BV.

Interests in Joint Ventures

Name of company	*Country of registration/incorporation*	*Principal activity*	*Percentage interest held Ordinary shares*
Transcend Partners Limited	England	Consulting Engineers	40%

Notes to the financial statements

11. Debtors

	2015 £000	2014 £000
Trade debtors	18,733	26,767
Amounts owed by group undertakings	53,294	28,233
Amounts recoverable on contracts	19,260	15,943
Deferred tax	7,447	7,672
Other debtors	2,449	2,289
Corporation tax receivable	434	-
Prepayments and accrued income	5,155	4,742
	106,772	85,646

Amounts owed by group undertakings are interest-free and repayable on demand. All debtors are due within one year.

12. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	9,115	10,061
Obligations under finance leases	159	213
Payments on account	12,126	15,361
Amounts owed to group undertakings	56,888	22,135
Other creditors	1,149	1,122
Pension scheme contributions outstanding	1,385	1,318
Other taxes and social security costs	5,400	6,511
Corporation tax payable	-	62
Accruals and deferred income	13,646	15,304
	99,868	72,087

Included in accruals and deferred income is £2,837,000 (2014: £2,125,000) in respect of property obligations, including onerous leases and dilapidation expenses. Certain amounts owed to group undertakings bear interest rates based on LIBOR to 2%.

13. Creditors: amounts falling after more than one year

	2015 £000	2014 £000
Obligations under finance leases	141	340
	141	340

Notes to the financial statements

14. Provisions for liabilities

	Pension augmentation £000	Claims and losses on contracts £000	Annuities due after more than one year £000	Total £000
At 3 October 2014	275	3,938	131	4,344
Additional provisions in year	-	1,403	-	1,403
Released provisions in year	-	(513)	-	(513)
Utilised in the year	(117)	(1,977)	-	(2,094)
At 2 October 2015	158	2,851	131	3,140

Pension augmentation

Certain members of the Maunsell Pension Scheme are entitled to retire early without any actuarial reduction. The costs of any such retirement are recognised and accrued when members reach the early retirement age.

Claims and losses on contracts

Provision is made for any losses and claims against specific contracts, in bringing contracts to completion, as soon as they can be foreseen with reasonable certainty.

Annuities

Full provision has been made to cover the expected future liability arising in respect of annuities payable to past partners of the Oscar Faber Partnership, although these annuities are not guaranteed.

15. Issued share capital

Allotted, called up and fully paid	*No.*	*2015 £000*	*No.*	*2014 £000*
Ordinary shares of £1 each	17,525,172	17,525	17,525,172	17,525

Subsequent to year end, as part of a group restructuring, on 18 November 2015, one additional £1 share was issued to the immediate parent company for consideration of £60,715,000.

Notes to the financial statements

16. Reconciliation of equity shareholders' funds and movements on reserves

	Share capital	*Share premium*	*Profit and loss account*	*Total equity share-holders' funds*
	£000	*£000*	*£000*	*£000*
At 27 September 2013 (restated)	17,525	23,861	(31,061)	10,325
Profit for the year	–	–	6,337	6,337
Actuarial loss on pension scheme, net of related tax	–	–	(2,448)	(2,448)
At 3 October 2014 (restated)	17,525	23,861	(27,172)	14,214
Profit for the year	-	-	6,655	6,655
Actuarial loss on pension scheme, net of related tax	-	-	(5,529)	(5,529)
At 2 October 2015	17,525	23,861	(26,046)	15,340

17. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2015	*2014*
	£000	*£000*
Operating profit	7,939	8,304
Depreciation of fixed assets	2,242	1,607
Amortisation of goodwill	706	976
(Increase) / decrease in debtors	(21,423)	(15,652)
(Decrease)/Increase in provisions	(1,204)	793
Increase / (decrease) in creditors	27,896	13,919
Loss / (profit) on disposal of fixed assets	59	(40)
Decrease in pension charge and cash contributions	(6,027)	(5,901)
Net cash inflow from operating activities	10,188	4,006

(b) Analysis of net cash inflow

	At 3 October 2014	*Cash flow*	*At 2 October 2015*
	£000	*£000*	*£000*
Cash at bank and in hand	7,406	5,935	13,341

Notes to the financial statements

18. Pensions

a) Defined benefit schemes

The company operates three funded defined benefit pension schemes, the Oscar Faber Pension Scheme, the Maunsell Limited Pension Scheme and the Bullen Pension Plan. The assets of each scheme are held separately from the company and from each other and are controlled by a board of Trustees.

The financial position on each of the schemes is set out below. The Company has agreed with the Trustees to each scheme, a plan of additional contributions in order to address scheme deficits.

Oscar Faber Pension Scheme

The company operates this pension scheme providing defined benefits based on members' pensionable earnings. The assets of the scheme are held in a separately administered fund. After consultation with members, the scheme was closed to future accrual on 2 October 2011 apart from a link to future salary increases up to a maximum of the annual increase in CPI.

Pension contributions are agreed between the company and the scheme Trustees on advice from independent qualified actuaries, Mercer Limited. A full actuarial valuation was carried out at 30 June 2014 and updated at 2 October 2015.

Regular contributions of £105,000 per month have been made during the year.

Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The scheme assets and the expected return of the main asset classes were as explained below.

	2015	*2014*
	£000	*£000*
Fair value of scheme assets	115,124	107,696
Present value of scheme liabilities	(135,590)	(126,085)
Defined benefit pension scheme liability	(20,466)	(18,389)
Related deferred tax asset	4,093	3,678
Net liability in the balance sheet	(16,373)	(14,711)

The amounts recognised in the Profit and Loss account and in the Statement of Total Recognised Gains and Losses for the year are analysed as follows:

	2015	*2014*
	£000	*£000*
Income recognised in the profit and loss account		
Expected return on scheme assets	6,714	5,561
Interest on obligation	(4,973)	(4,908)
Income recognised in the profit and loss account	1,741	653

Notes to the financial statements

18. Pensions (continued)

Oscar Faber Pension Scheme (continued)

	2015 £000	2014 £000
Recognised in the statement of total recognised gains and losses		
Actual return on scheme assets	9,666	12,928
Less: expected return on scheme assets	(6,714)	(5,561)
	2,952	7,367
Other actuarial losses	(8,030)	(9,559)
Actuarial losses recognised in the statement of total recognised gains and losses	(5,078)	(2,192)
Cumulative actuarial losses recognised since 1 January 2008	(47,291)	(42,213)

Main assumptions	2015	2014
Weighted average assumptions to determine benefit obligations:		
Rate of salary increase	2.00%	2.10%
Rate of increase in pensions	2.95%	3.00%
Discount rate	3.86%	4.00%
Rate of price increases (RPI)	3.00%	3.10%
Rate of price increases (CPI)	2.00%	2.10%
Expected rates of return on scheme assets	4.00%	6.30%
Post retirement mortality:		
Current pensioners at 65 today	23.3 years	23.4 years
Future pensioners at 65, aged 40 today	25.6 years	25.7 years

Changes in the present value of the defined benefit obligations are analysed as follows:

	2015 £000	2014 £000
At the start of the financial year	(126,085)	(115,113)
Interest cost	(4,973)	(4,908)
Benefits paid	3,498	3,495
Actuarial loss	(8,030)	(9,559)
At the end of the financial year	(135,590)	(126,085)

Changes in the fair value of plan assets are analysed as follows:

	2015 £000	2014 £000
At the start of the financial year	107,696	97,003
Expected return on plan assets	6,714	5,561
Employer contributions	1,260	1,260
Benefits paid	(3,498)	(3,495)
Actuarial gain	2,952	7,367
At the end of the financial year	115,124	107,696

Notes to the financial statements

18. Pensions (continued)

Oscar Faber Pension Scheme (continued)

Movement in deficit in the financial year

	2015	*2014*
	£000	*£000*
Deficit at the start of the financial year	(18,389)	(18,110)
Contributions	1,260	653
Net finance income	1,741	1,260
Actuarial loss	(5,078)	(2,192)
Deficit at the end of the financial year	(20,466)	(18,389)

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015	*2014*
Equities	26%	34%
Debt securities	33%	15%
Property (pooled fund)	19%	18%
Other	22%	33%

	2015	*2014*	*2013*	*2012*	*2011*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	115,124	107,696	97,003	88,163	82,770
Present value of defined benefit obligation	(135,590)	(126,085)	(115,113)	(101,297)	(96,618)
Deficit in the scheme	(20,466)	(18,389)	(18,110)	(13,134)	(13,848)
Experience adjustments arising on plan liabilities	(5,585)	(4,992)	(4,300)	3,982	–
Actual return less expected return on scheme assets	2,952	7,367	5,651	5,493	(5,312)

Maunsell Limited Pension Scheme

The Maunsell Limited pension scheme is now closed to future accrual and provides benefits to deferred pensions and pensioners. The assets of the Scheme are held in a separately administered fund.

Pension contributions are agreed between the company and the scheme Trustees on advice from independent qualified actuaries, Mercer Limited.

Notes to the financial statements

18. Pensions (continued)

Maunsell Limited Pension Scheme (continued)

A preliminary actuarial valuation was carried out at 31 December 2014 and updated at 2 October 2015. The company has agreed with the Trustees to make monthly contributions of £333,333 up to January 2017 in order to address the shortfall in the funding of the scheme. There was additional special company contribution during the year of £116,000 (2014 – £nil).

Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The scheme's assets and the expected return of the main asset classes were as explained below:

	2015	*2014*
Scheme assets at fair value	*£000*	*£000*
Fair value of scheme assets	105,813	93,580
Present value of scheme liabilities	(106,324)	(101,544)
Defined benefit pension scheme liability	(511)	(7,964)
Related deferred tax asset	102	1,593
Net liability in the balance sheet	(409)	(6,371)

The amounts recognised in the Profit and Loss account and in the Statement of Total Recognised Gains and Losses for the year are analysed as follows:

	2015	*2014*
Income recognised in the profit and loss account	*£000*	*£000*
Expected return on scheme assets	4,866	4,048
Interest on obligation	(3,980)	(4,142)
Recognition of past service cost	(116)	-
Income/(expense) recognised in the profit and loss account	770	(94)

	2015	*2014*
Recognised in the statement of total recognised gains and losses	*£000*	*£000*
Actual return on scheme assets	12,229	11,034
Less: expected return on scheme assets	(4,866)	(4,048)
	7,363	6,986
Other actuarial losses	(4,796)	(7,435)
Actuarial gains/(losses) recognised in the statement of total recognised gains and losses	2,567	(449)
Cumulative actuarial losses recognised since 2008	(25,702)	(28,269)

Notes to the financial statements

18. Pensions (continued)

Maunsell Limited pension scheme (continued)

Main assumptions	*2015*	*2014*
Weighted average assumptions to determine benefit obligations:		
Rate of increase in pensions	2.10%	2.10%
Discount rate	3.75%	4.00%
Rate of price increases (RPI)	2.95%	3.10%
Rate of price increases (CPI)	2.00%	2.10%
Expected rates of return on scheme assets	5.20%	4.90%
Post retirement mortality:		
Current pensioners at 65 today	23.2 years	23.4 years
Future pensioners at 65, aged 40 today	25.5 years	25.7 years

Changes in the present value of the defined benefit obligations are analysed as follows:

	2015 *£000*	*2014* *£000*
At the start of the financial year	(101,544)	(94,102)
Interest cost	(3,980)	(4,142)
Benefits paid	4,112	4,135
Recognition of past service cost	(116)	-
Actuarial loss	(4,796)	(7,435)
At the end of the financial year	(106,324)	(101,544)

Changes in the fair value of plan assets are analysed as follows:	*2015* *£000*	*2014* *£000*
At the start of the financial year	93,580	82,681
Expected return on plan assets	4,866	4,048
Employer contributions	4,116	4,000
Benefits paid	(4,112)	(4,135)
Actuarial gain	7,363	6,986
At the end of the financial year	105,813	93,580

Movement in deficit in the financial year:

	2015 *£000*	*2014* *£000*
Deficit at the start of the financial year	(7,964)	(11,421)
Contributions	4,116	4,000
Net finance income/(cost)	770	(94)
Actuarial gain/(loss)	2,567	(449)
Deficit at the end of the financial year	(511)	(7,964)

Notes to the financial statements

18. Pensions (continued)

Maunsell Limited Pension scheme (continued)

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015	*2014*
Equities	15%	18%
Debt securities	20%	21%
Property (pooled fund)	10%	10%
Other	55%	51%

	2015	*2014*	*2013*	*2012*	*2011*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	105,813	93,580	82,681	77,101	68,983
Present value of defined benefit obligation	(106,324)	(101,544)	(94,102)	(81,956)	(72,146)
Deficit in the scheme	(511)	(7,964)	(11,421)	(4,855)	(3,163)
Experience adjustments arising on plan liabilities	(668)	–	(10,000)	(647)	–
Actual return less expected return on scheme assets	7,363	6,986	967	4,187	(831)

The Bullen Pension Plan

The scheme is a defined benefit scheme and provides benefits based on revalued pensionable pay. After consultation with members, the scheme was closed to future accrual on 30 September 2011 apart from a link to future salary increases up to a maximum of the annual increase in RPI.

Pension contributions are agreed between the company and the scheme Trustees on advice from independent qualified actuaries, Clerical Medical. The most recent actuarial valuation for accounting purposes was as at 1 January 2014 and updated at 2 October 2015.

The company made contributions at the rate £54,333 per month during the year (2014: £53,686).

		(restated)
	2015	*2014*
	£000	*£000*
Scheme assets at fair value		
Other – group pensions contract ('With profits' fund)	24,876	27,500
Fair value of scheme assets	24,876	27,500
Present value of scheme liabilities	(26,104)	(24,811)
Defined benefit pension scheme (deficit)/surplus	(1,228)	2,689
Related deferred tax asset/liability	246	(538)
Net (liability)/asset in the balance sheet	(982)	2,151

Notes to the financial statements

18. Pensions (continued)

The Bullen pension plan (continued)

The amounts recognised in the Profit and Loss account and in the Statement of Total Recognised Gains and Losses for the year are analysed as follows:

Expense recognised in the profit and loss account	*2015* *£000*	*2014* *£000*
Expected return on scheme assets	1,343	1,319
Interest on obligation	(1,514)	(1,553)
Total expense recognised in the profit and loss account	(171)	(234)

Recognised in the statement of total recognised gains and losses	*2015* *£000*	*(restated)* *2014* *£000*
Actual return on scheme assets	(1,332)	1,543
Less: expected return on scheme assets	(1,343)	(1,319)
	(2,675)	224
Other actuarial losses	(1,723)	(752)
Actuarial loss recognised in the statement of total recognised gains and losses	(4,398)	(528)

Main assumptions	*2015*	*2014*
Weighted average assumptions to determine benefit obligations:		
Rate of salary increases	2.98%	3.10%
Rate of increases in pension payment	3.55%	3.60%
Discount rate	3.81%	4.00%
Rate of price increases (RPI)	2.98%	3.10%
Rate of price increases (CPI)	2.00%	2.10%
Expected rates of return on scheme assets:		
Group pension contract	5.00%	5.00%
Post retirement mortality:		
Current pensioners at 65 today	23.2 years	23.4 years
Future pensioners at 65, aged 40 today	25.5 years	25.7 years

Changes in the present value of the defined benefit obligations are analysed as follows:

	2015 *£000*	*(restated)* *2014* *£000*
At the start of the financial year	(24,811)	(23,984)
Interest cost	(1,514)	(1,553)
Benefits paid	1,944	1,478
Actuarial loss	(1,723)	(752)
At the end of the financial year	(26,104)	(24,811)

Notes to the financial statements

18. Pensions (continued)

The Bullen pension plan (continued)

Changes in the fair value of plan assets are analysed as follows:

	2015	*2014*
	£000	*£000*
At the start of the financial year	27,500	26,791
Expected return on plan assets	1,343	1,319
Employer contributions	652	644
Benefits paid	(1,944)	(1,478)
Actuarial (loss)/gain	(2,675)	224
At the end of the financial year	24,876	27,500

Movement in surplus / (deficit) in the financial year:

		(restated)
	2015	*2014*
	£000	*£000*
Surplus at the start of the financial year	2,689	2,807
Contributions	652	644
Net finance cost	(171)	(234)
Actuarial loss	(4,398)	(528)
(Deficit) / surplus at the end of the financial year	(1,228)	2,689

		(restated)	*(restated)*		
	2015	*2014*	*2013*	*2012*	*2011*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	24,876	27,500	26,791	26,210	24,590
Present value of defined benefit obligation	(26,104)	(24,811)	(23,984)	(33,640)	(26,660)
Deficit in the scheme	(1,228)	2,689	2,807	(7,430)	(2,070)
Experience adjustments arising on plan liabilities	(1,462)	14,000	–	(2,850)	(260)
Actual return less expected return on scheme assets	(2,675)	224	110	1,240	770

b) Defined contribution schemes

The company currently operates three defined contribution schemes: The AECOM Group Personal Pension Plan (AGPPP) open to all new entrants to the company and operated by Scottish Widows; The Bullen Group Personal Pension Plan (BGPPP), closed to new entrants and operated by Scottish Life; and the Bullen Gault Chambers Group Pension Plan (BGCGP), closed to new entrants and operated by Legal and General. The company contributions during the year to the AGPPP were £5,778,670 (2014 – £5,077,090). The company made no contributions during the year to the Bullen Group Personal Pension Plan and Bullen Gault Chambers Group Personal Pension Plan (2014 – £nil) as they have been closed.

Total unpaid contributions at 2 October 2015 were £990,023 (2014 – £948,247) which are all payable to the AECOM Group Personal Pension Plan.

Notes to the financial statements

19. Share-based payments

AECOM maintains a number of equity compensation plans, two of which are available to employees of the company.

a) The 2006 Amended and Restated Stock Incentive Plan provides for the grant of incentives in the form of Performance Earnings Program awards ("PEP") Restricted Stock Units ("RSUs") and other forms of equity awards. PEPs and RSUs generally vest over three year vesting periods. RSUs are subject to service conditions. PEP awards are subject to both performance and service requirements. Performance based conditions are based upon the achievement of free cash flow and earnings per share targets of AECOM, established in the first quarter of each fiscal year. In accordance with FRS 20: Share based payment; awards are expensed from the grant date over the remaining vesting period on a straight line basis. PEP performance conditions are reviewed at the end year of each year within the vesting period to assess the likelihood of the various performance conditions being met. Awards granted to date have a nil exercise price and therefore, fair value is taken to be market value of the underlying shares at grant date. The weighted average fair value at grant date for PEPs and RSUs awarded during the year was £20.72 (2014: £18.12).

An amount of £1,331,000 (2014: £1,039,000) has been charged to the income statement for the year, inclusive of an accrual for national insurance of £266,000 (2014: £282,000).

The movement in the number of outstanding awards in the year is detailed below

	2015	2014
	Number	Number
	Stock Incentive Plan	Stock Incentive Plan
At start of the year	276,926	205,729
Granted	82,969	90,322
Vested	(140,634)	(19,125)
Forfeited	(66,086)	-
At end of the year	153,175	276,926

b) The AECOM UK Sharesave Plan 2011 (the "Plan") is available to all employees. Participants contribute regular monthly amounts over a 3 year option period. At the end of the 3 years, employees may exercise an option to purchase shares in AECOM at a pre-agreed option price. The option price is agreed at the start of the option period and provides a discount on the market value of the shares at the start of the option period (the grant date). Any savings not used to purchase shares may be withdrawn as cash. The value of the discount is expensed on a straight line basis from the grant date. The fair value at grant date was a range from £11.02 to £21.34. An amount of £318,000 (2014: £172,000) has been charged to the income statement.

Notes to the financial statements

20. Other financial commitments

At 2 October 2015 the company had annual commitments under non-cancellable operating leases as set out below:

	2015		2014	
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£000	*£000*	*£000*	*£000*
Operating leases which expire:				
Within one year	1,382	1,608	367	462
In two to five years	3,185	1,036	3,454	1,444
Over five years	726	-	1,154	–
	5,293	2,644	4,975	1,906

Future commitments under finance leases are as follows:

	2015	*2014*
	£000	*£000*
Amounts payable:		
Within one year	159	212
In two to five years	141	371
	300	583
Less: finance charges allocated to future periods	(12)	(31)
	288	552

21. Contingent liabilities

The company faces contingent liabilities in the ordinary course of business in respect of performance guarantees and bonds.

All claims and losses on contracts have been notified to the company's Professional Indemnity insurers, where appropriate. The Directors consider that any probable liabilities are suitably provided for see (see note 14).

Notes to the financial statements

22. Related party transactions

During the year the company entered into transactions representing the receipt and sale of engineering and consultancy services in the ordinary course of business, from related companies. Transactions entered into, and trading balances outstanding at year end are as follows:

	Sales to related party	*Purchases from related party*	*Amounts owed by related party*	*Amounts owed to related party*
	£000	*£000*	*£000*	*£000*
Associate				
Grontmij Maunsell Infrastructure Consultancy				
At 2 October 2015	–	2,670	–	467
At 3 October 2014	–	2,904	–	697
Related Undertaking				
AECOM Arabia Limited				
At 2 October 2015	31,852	–	28,590	5
At 3 October 2014	16,126	183	11,446	104
Joint Venture				
Conway AECOM Limited				
At 2 October 2015	14,344	1	1,400	–
At 3 October 2014	1,132	11	1,247	–
Transcend Partners Limited				
At 2 October 2015	2,995	-	170	-
At 3 October 2014	2,172	-	249	-

AECOM Limited holds 49% of the voting rights and nominal value of issued ordinary shares in Grontmij Maunsell Holdings BV which in turn holds 100% of the shares and voting rights in Grontmij Maunsell Infrastructure Consultancy Services BV.

AECOM Arabia Limited is considered a related party as 49% of the ordinary shares are owned by a fellow group undertaking.

Conway AECOM Limited is considered a related party as 50% of the ordinary shares are owned by a fellow group undertaking.

AECOM Limited holds 40% of the voting rights and nominal value of issued ordinary shares in Transcend Partners Limited.

Notes to the financial statements

23. Post balance sheet event

On 3 October 2015, the trade, assets, excluding certain investments and liabilities of AECOM Professional Services LLP and Project Space UK Limited, were transferred to AECOM Limited, a fellow undertaking. The transactions were part of a wider AECOM group strategy to develop the UK business and streamline its operations.

24. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is AECOM Holdings Limited, incorporated in England and Wales.

In the Directors' opinion the company's ultimate parent undertaking and controlling party is AECOM which is incorporated in the United States of America. AECOM is the smallest and largest group which prepares group financial statements which include the results of the company. Copies of the group financial statements are available from its registered office: 1999 Avenue of the Stars, Suite 2600, Los Angeles, CA 90067, USA.