Registered number: 2212959

Hyder Consulting (UK) Limited

Annual Report and Financial Statements for the Year Ended 31 March 2013

Hyder Consulting

Registered office
Manning House
22 Carlisle Place
London
SW1P 1JA

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Directors and Advisers

Directors

MB Alghita
AR Clark
FR Davidson
AF Davies
AL Henderson (resigned 17 April 2013)
GM Reid
S Bradley (appointed 21 November 2012)

Company Secretaries

NJ Hunt
M Day

Registered Office

Manning House
22 Carlisle Place
London
SW1P 1JA

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Solicitors

Wragge and Co
55 Colmore Row
Birmingham
B3 2AS

Principal Bankers

HSBC Bank PLC
22 Victoria Street
London
SW1N 0NJ

Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2013

Principal activities and business review

Hyder Consulting (UK) Ltd is part of the Hyder Group, a leading multinational design and engineering consultancy with a 150 year heritage that assists various countries, communities and clients to develop the increasingly complex buildings and infrastructure needed to raise living standards, support commercial activity and protect the environment

Our core services include technical and organisational consultancy and the planning, design and management of infrastructure projects across the rail, highways and transportation, land development, buildings, environment and utilities sectors Hyder also offers expertise in disciplines that span across many areas of infrastructure development including civil and structural engineering, environmental assessment and engineering, geotechnics, mechanical and electrical engineering, systems engineering, project management, and management consultancy in areas including asset management and institutional strengthening We are also specialists and, in many cases world-leading, experts in tunnelling, the design of tall buildings, façade engineering, bridge design, integrated transport and intelligent transport systems The recent acquisitions of ESR Technology and Power Systems Project and Consultancy Services Limited (PCS) adds energy (electricity, nuclear, oil & gas), risk and space consultancy to this list

With the increased involvement of private companies in infrastructure development in many parts of the world, Hyder is able to offer particular experience of the 'partnering' concept as it applies to the various methods of procuring projects today

Review of Operations

The Company has delivered another robust set of results in a challenging economic climate, particularly in the highways and property markets

We grew our rail business in a competitive market, and, as part of the strategic expansion of our global design offering, to meet demand we opened a new office in York We are working on over 100 station projects, predominately platform extensions in the South East, to service the growing demand for rail travel During the year projects have also included London Bridge station, Bank station, Whitechapel station and Victoria Dock portal for Crossrail, and Manchester Victoria station

The UK highways market has been challenging as investment has continued to be delayed, however we have secured a number of projects with the Highways Agency under our existing framework agreements These include works for the M25 Dartford crossings and also maximising the capacity of the existing network through the managed motorway programme We have continued to manage our resources globally on major projects and combined opportunities with the Middle East business in order to maintain capabilities and maximise efficiency

Our utilities sector supports a number of major UK water companies on their AMP5 programmes, including South West Water, Thames Water and Severn Trent Water, and we are now actively bidding additional AMP6 opportunities

In the property and environment sectors, workload has been subdued, although we have further developed our relationships with key clients including National Grid, for which we have recently won eleven framework contracts, and the Nuclear Decommissioning Authority

The results of the Company do not include the trading result of our recent acquisitions ESR Technology, and PCS Our energy, safety and risk consultant ESR Technology performed ahead of plan in its first full year post acquisition delivering £1m operating profit for the financial year

We have grown our presence in the important North Sea oil and gas market through our office in Aberdeen, and secured a five year quantitative risk assessment framework with Maersk, PCS was purchased in December 2012 and is performing in line with expectations

Current Trading and Outlook

The outlook for the UK continues to be uncertain due to the current economic climate but we are increasingly positive We monitor the market closely to identify trends and adjust our business appropriately We believe that our sector structure will remain flexible to market changes and will enable the business to be responsive to new opportunities as they arise We have a strong order book and opportunity pipeline going into the new year

Results and dividends

The profit on ordinary activities before taxation amounted to £2 5m (2012 £2 2m) The profit on ordinary activities after tax was £2 0m (2012 £2 2m) The directors do not recommend payment of a dividend (2012 £nil)

Key performance indicators and principal risks and uncertainties

- Turnover £67m (2012 £70m)
- Operating profit £1 4m (2012 £1 0m)
- Operating profit, adjusted for exceptional items and the amortisation of intangible assets, £1 8m (2012 £2 7m)
- Adjusted operating margin 3% (2012 4%)
- Average number of employees 808 (2012 896)

Exceptional items

There were no exceptional items incurred in the year (2012 £1 3m) In 2012 exceptional items were incurred relating to vacant properties and costs associated with the closure for future accrual of the Acer Group Pension scheme

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of liquidity risk, credit risk, interest rate cash flow risk and foreign exchange risk The Company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the Company by monitoring levels of debt finance and related finance costs

Given the size of the Company, the directors do not delegate the responsibility of monitoring financial risk management to a sub-committee of the board

Liquidity risk

Working capital and funding requirements are managed as part of the Hyder group, making use of revolving credit and bank overdraft facilities In order to fund special contributions to the Acer Group Pension Scheme (AGPS) and incentive payments to members, who accepted the offer to transfer their liabilities out of the AGPS, the Company has 10 year term unsecured facilities totalling £6 8m with HSBC in the UK

Credit risk

The Company's main exposure to credit risk is on amounts due from customers reported under the relevant Balance Sheet heading In line with Company policy appropriate credit checks are performed on potential customers to identify potential risks The Company recognises the increased credit risk in the current economic climate, and seeks to mitigate this through strong client relationships and advance payments The counterparties for cash and cash equivalents are limited to financial institutions with an AA credit rating or better

Interest rate cash flow risk

The Company has both interest-bearing assets and interest bearing liabilities Interest bearing assets comprise loans to other companies in the Hyder Consulting group and cash balances, which earn interest at fixed and floating rates Overall interest rate management is administered by the Hyder Consulting group who revisit the appropriateness of the group's policy as the group and constituent companies' operations change in size and nature

Foreign exchange risk

The Company has some exposure to foreign exchange risk through transactions in currencies other than GBP sterling In general both revenue and costs of international operations arise in the same currency and therefore the exposure to exchange fluctuations is usually not significant and consequently not hedged Where a mismatch does exist it is generally priced for in our customer contracts

Acquisitions

In the current financial year the Company acquired Power Systems Project and Consultancy Services Limited (PCS), an electrical engineering consultancy, specialising in independent high-voltage simulation, analysis and electrical design

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are set out on page 1

Directors interests

There were no significant contracts existing during or at the end of the year with the Company or any of its subsidiaries (other than service contracts) in which the Director is, or was materially interested

Directors remuneration

Directors remuneration has been disclosed in note 4 of the financial statements

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared 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 the financial statements, the directors are required to

- Select suitable accounting policies and apply them consistently
- Make judgements and accounting 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
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities

Policy on the payment of creditors

It is the Company's policy to seek to agree terms of payment with suppliers when agreeing the terms of payment Where payment terms are not negotiated and agreed the Company endeavours to adhere to suppliers' standard terms The average payment term in respect of the financial year ending 31 March 2013 was 40 days (2012 39 days)

Employment policies

Management recognise that employees are key to both the present and future success of the Company and support the fundamental belief that to maximise the potential of every individual there must be

- Significant investment in training and development
- A supportive working environment
- Employee participation and involvement in business matters

To this end, management have developed, and review periodically, a framework of comprehensive policies which will balance both the Company and individual needs Across the Company all employees have the opportunity to discuss their individual performance and development in a focused way
Every individual is encouraged to be responsible for their own career whilst Hyder seeks to provide the opportunities he or she needs in order to develop Management try to make sure that training is not only provided in technical fields, but also provided with opportunities to develop professional skills and leadership competencies through a combination of challenging job experiences, skills coaching and career mentoring

Our Professional Development Review process ensures all employees have clear-cut objectives which dovetail with Hyder's objectives In addition, everyone has the opportunity to have tailored personal and professional development plans to ensure that they continue to grow and develop in their careers

Employees are consulted at all levels in the spirit of partnership and co-operation and the use of employee opinion and attitude surveys provides management with valuable information upon which to base policy decisions We seek to provide multiple opportunities for members of staff to get involved and have a voice including monthly newsletters and various discussion forums We encourage one-on-one communication between employees and line managers and offer individuals the opportunity to input questions and have round table discussions

Management continues to promote its equal opportunity policy and offers equality of opportunity and support for disabled employees and maintains good links with external organisations to encourage involvement in the workplace of disabled members of the wider community Arrangements are made where possible for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities in line with the Company's operational requirements

Post-employment benefits

The Company operates both defined benefit and defined contribution schemes as detailed in Note 20

The gross deficit in the scheme at 31 March 2013 increased to £19 1m (2012 £16 3m), the deficit including unfunded liabilities and net of deferred tax increased to £15 2m (2012 £12 9m) The increase in the deficit reflects the actuarial loss on scheme liabilities in the period exceeding the actuarial gain on scheme assets, excess expected return on assets over interest cost and contributions of £1 0m made in the year The actuarial loss on the Scheme liabilities occurred predominately as a result of the reduction in bond yields and rise in RPI inflation expectations The actuarial gain on Scheme assets was largely due to a strong return over expected return in the first quarter of 2013 Fixed contributions will amount to £1 6m for the current year, increase by £0 1m per annum in the following year and increase per year by RPI plus 1% thereafter A framework of contingent contributions is also in place, which is based on the net cash generated by the Company in each year Should the Company generate cash in excess of £0 5m in a given scheme year, one half of the cash would be payable as a contribution (subject to a cap initially starting at £0 7m) No contingent contribution payment was made in the period

The main assumptions in valuing the deficit are shown in Note 20 The sensitivities of the AGPS scheme liabilities to changes in these assumptions are as follows

Assumption	Change in assumption	Indicative effect on scheme liabilities
Discount rate	Increase / decrease by 0 5%	Decrease / increase by 9%
Rate of inflation	Increase / decrease by 0 5%	Increase / decrease by 5-6%
Longevity	Increase by 1 year	Increase by 2-3%

Corporate Responsibility

The Company's ultimate parent company, Hyder Consulting PLC's annual report for the year ended 31 March 2013 contains the groups corporate responsibility report which details the strategy, objectives and performance the Company follows in maintaining high standards of corporate governance

EU branches

The Company currently operates via overseas branches within the EU in Ireland and Romania

Post balance sheet events

There are no post balance sheet events that require disclosure in these financial statements

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the reasonable future and therefore continues to adopt the going concern basis in preparing financial statements

Share Capital

Full details of the Company's share capital can be found on page 26 in note 16 to the financial statements

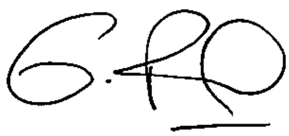
Disclosure of information to auditors

In accordance with section 418 of the Companies Act 2006 the directors confirm so far as they are aware, there is no relevant audit information, that is information needed by the Company's auditors in connection with preparing their report, of which the Company's auditors are unaware, and the directors have taken all steps that they ought to have taken (as detailed in section 418) in order to make themselves aware of any relevant information and to establish that the Company's auditors are aware of that information The confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006

Independent auditors

PricewaterhouseCoopers LLP are continuing as the Company's auditors

By order of the board



GM Reid
Chairman
20 June 2013

Independent Auditors' Report to the members of Hyder Consulting (UK) Limited

We have audited the financial statements of Hyder Consulting (UK) Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Accounting Policies and the related notes 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)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 4, 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

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

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 and Financial Statements to identify material inconsistencies with the audited financial statements 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 31 March 2013 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 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

Bowker Andrews (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 June 2013

Profit and Loss Account for the Year Ended 31 March 2013

	Note	2013 £'000	2012 £'000
Turnover	1	**67,025**	70,297
Operating costs before exceptional items	2	**(65,586)**	(67,953)
Exceptional items	3	-	(1,327)
Net operating costs		**(65,586)**	(69,280)
Operating profit	2	**1,439**	1,017
Income from shares in group undertakings	10	-	-
Interest receivable and similar income	5	**1,337**	1,409
Interest payable and similar charges	6	**(260)**	(189)
Profit on ordinary activities before taxation		**2,516**	2,237
Tax on profit on ordinary activities	7	**(486)**	(38)
Profit for the financial year	18	**2,030**	2,199

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above, and their historical cost equivalents

All of the above amounts relate to continuing operations

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2013

	Note	2013 £'000	2012 £'000
Profit for the financial year		**2,030**	2,199
Actuarial loss on pension scheme	20	**(4,916)**	(4,225)
Deferred tax on actuarial loss	12	**1,180**	1,099
Deferred tax adjustment for change in UK tax rate	12	**(467)**	(836)
Foreign currency translation loss		**(24)**	(8)
Total recognised gains and losses relating to the financial year		**(2,197)**	(1,771)

Reconciliation of Movements in Shareholders' Funds for the Year Ended 31 March 2013

	Note	2013 £'000	2012 £'000
Profit for the financial year		**2,030**	2,199
Actuarial loss on pension scheme	20	**(4,916)**	(4,225)
Deferred tax on actuarial loss	12	**1,180**	1,099
Deferred tax adjustment for change in UK tax rate	12	**(467)**	(836)
Foreign currency translation loss		**(24)**	(8)
Net decrease in shareholders' funds		**(2,197)**	(1,771)
Opening shareholders' funds as previously reported		**8,118**	9,889
Closing shareholders' funds		**5,921**	8,118

Balance Sheet as at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	8	**4,255**	4,587
Tangible assets	9	**1,591**	989
Investments	10	**5,190**	1,242
		11,036	6,818
Current assets			
Debtors (including £316k (2012 £93k) due after 1 year)	11	**27,113**	29,140
Deferred tax assets	12	**1,969**	2,183
Cash at bank and in hand		**6,616**	10,028
		35,698	41,351
Creditors· amounts falling due within one year	13a	**(16,429)**	(17,124)
Net current assets		**19,269**	24,227
Total assets less current liabilities		**30,305**	31,045
Creditors: amounts falling due after more than one year	13b	**(6,050)**	(6,338)
Provisions for liabilities	15	**(3,098)**	(3,670)
Net assets excluding pension deficit		**21,157**	21,037
Pension liability	20	**(15,236)**	(12,919)
Net assets including pension deficit		**5,921**	8,118
Capital and reserves			
Called up share capital	16	**830**	830
Profit and loss account	18	**5,091**	7,288
Total shareholders' funds		**5,921**	8,118

The financial statements on pages 10 to 32 were approved by the Board of Directors and were signed on its behalf by

AR Clark
Finance Director
20 June 2013

Hyder Consulting (UK) Limited
Registered number 2212959

Accounting Policies

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom and comply with the Companies Act 2006 A summary of the principal accounting policies, which have been consistently applied, is set out below

Basis of accounting

These financial statements have been prepared on a going concern basis, under the historical cost convention

Change in accounting policy

In accordance with FRS 18 the Board regularly reviews the Company's accounting policies to ensure they remain the most appropriate

Consolidated financial statements

The Company has taken advantage of the exemption granted by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it is a wholly owned subsidiary of another UK company which publishes consolidated financial statements

Turnover

Turnover, which excludes Value Added Tax, is recognised only when the outcome of the transaction can be measured reliably and it is probable that the economic benefits will flow to the Company Any loss on a contract is recognised as soon as it is foreseen

Where fee income is determined by time charged, turnover represents the amount of services provided during the financial year Turnover on long term contracts is recognised according to the stage of completion at the balance sheet date and the terms of the contract including those in relation to variations The stage of completion is based upon a review of the contract progress and the proportion of costs incurred for work performed compared to the estimated total costs of the contract after making a prudent allowance for uncertainties

Cash flow statement

A cash flow statement is not required at 31 March 2013 as the Company is a wholly owned subsidiary of Hyder Consulting PLC which prepares a consolidated cash flow statement The financial statements of Hyder Consulting PLC are publicly available

Goodwill

Purchased goodwill represents the excess of the fair value of consideration payable over the fair value of the identifiable assets and liabilities acquired

Goodwill in respect of acquisitions made is shown as an asset and, in accordance with FRS 10 Intangible assets and goodwill, each acquisition is assessed to determine the useful economic life of the business and goodwill Where it is considered that the value of the business or goodwill has a measurable economic life, any related goodwill would be amortised through the profit and loss account by equal instalments over such life In this context, the useful economic life of the businesses and goodwill are reviewed annually and revised where appropriate In the event that the useful economic life does not exceed 20 years, goodwill would be subject to an impairment review at the end of the year of acquisition only if there is an indicator of impairment or if the first year review indicates that the post-acquisition performance has failed to meet pre-acquisition expectations, and at any other time when the Board believes that impairment may have occurred

Goodwill has been assigned a useful economic life of 20 years from the date trade and assets were initially transferred to Hyder Consulting (UK) Limited Recognised goodwill is therefore amortised over its deemed useful economic life of 20 years The profit and loss account has been charged with amortisation of £332k in the year

Tangible fixed assets and depreciation

Tangible fixed assets are included at historic cost less accumulated depreciation

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is calculated so as to write off the cost of the assets, less their estimated residual values, over their estimated useful lives on a straight line basis as follows

Leasehold properties and improvements	over the period of the lease
Fixed plant	2-5 years
Computer hardware and software	2-5 years
Motor vehicles	5 years

Leased assets

Where assets are financed by leasing arrangements which transfer substantially all the risks and rewards of ownership of an asset to the Company (finance leases), the assets are treated as if they had been purchased and the corresponding capital cost is shown as an obligation to the lessor Leasing payments are treated as consisting of a capital element and finance costs, the capital element reducing the obligation to the lessor and the finance charges being written off to the profit and loss account over the period of the lease in reducing amounts in relation to the written down amount The assets are depreciated over their estimated useful life or the lease period whichever is shorter All other leases are regarded as operating leases Rental costs arising under operating leases are charged to the profit and loss account in the financial year to which they relate, with the exception of rental costs on surplus properties which are charged against a provision set up for this purpose

Fixed asset investments

Long term investments held as fixed assets are stated at cost less amounts written off or provided to reflect impairment

Long term contract accounting

Amounts recoverable on contracts represent work undertaken but not yet invoiced to customers These amounts, which are included in debtors, are stated at cost plus attributable profit to the extent that such profit is reasonably certain and after making provision for any foreseeable losses in completing contracts For this purpose, cost comprises the direct costs of providing the service, together with directly attributable overheads

Payments on account represent the excess of amounts billed over that earned and are included in creditors

Pension costs

The Company operates both defined contribution and defined benefit schemes For defined contribution schemes, contributions are charged as an expense to the Profit and Loss account as they fall due in accordance with the scheme rules

For defined benefit schemes, the obligation is calculated by independent actuaries using the Projected Unit Method Actuarial gains and losses, which represent differences between the expected and actual return on the plan assets and the effect of changes in the actuarial assumptions, are recognised in full in the financial year in which they occur on the Statement of Total Recognised Gains and Losses

The defined retirement benefit obligation recognised in the Balance Sheet comprises the total for each plan of the present value of the benefit obligation using a discount rate determined by market yields on high quality corporate bonds, less the fair values of the scheme assets at the Balance Sheet date

Foreign currencies

Overseas branches' Balance Sheets and Profit and Loss accounts are translated into sterling at the closing and average rates of exchange respectively This creates foreign exchange translation differences that are taken directly to reserves as illustrated in the Statement of Total Recognised Gains and Losses All other exchange gains or losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit for the financial year

Research and development expenditure

Research and development expenditure is written off in the Profit and Loss account in the period in which it is incurred

Deferred taxation

Deferred taxation is provided on an undiscounted basis on all timing differences that have originated but not reversed at the balance sheet date except as referred to below Amounts provided are calculated with reference to tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Net deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Vacant properties

Provisions are made based on the estimated net present value of future rental payments less subletting income where properties are vacant The discount factor used in coming to the future rentals value for the average period of the lease is 9 74%

Claims including excess

The Company provides for excesses on professional indemnity insurance claims at the point these are notifiable to its insurers The amounts provided against specific indemnity claims are necessarily judgemental and are revised regularly in the light of known circumstances Full provision is made when it is the Company's view that there is a high probability that the excess will be expended

Share based payments

Equity settled share based incentives are provided to employees by the Company's ultimate controlling party under the Hyder Consulting PLC Executive Share Option Scheme 2002 and the Hyder Consulting PLC 2006 Long Term Incentive Plan Equity settled share based payments are measured at fair value at the date of grant The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest

Fair value is measured using the Black Scholes model which the Directors believe to be the most suitable calculation technique The expected life used in the model is based on management's best estimate taking account of employees' behaviour

1. Turnover

(a) Turnover by destination

	2013 £'000	2012 £'000
United Kingdom and rest of Europe	**65,194**	65,392
Rest of the world	**392**	1,665
Total to third parties	**65,586**	67,057
Total to fellow subsidiary undertakings	**1,439**	3,240
	67,025	70,297

(b) Turnover by origin

	2013 £'000	2012 £'000
United Kingdom and rest of Europe	**65,586**	67,057
Total to third parties	**65,586**	67,057
Total to fellow subsidiary undertakings	**1,439**	3,240
	67,025	70,297

The profit on ordinary activities before taxation is substantially derived from assets held within the UK

2. Operating profit

	2013 £'000	2012 £'000
Operating profit is stated after charging:		
Staff costs (Note 4c)	**39,368**	41,715
Depreciation		
Own assets	**756**	723
Assets held under finance leases	**-**	82
Amortisation of goodwill (Note 8)	**332**	332
Rentals under operating leases		
Land and buildings	**1,860**	2,096
Plant and machinery	**1,196**	1,482
Other	**478**	352
Other operating charges	**21,521**	21,147
Exchange differences	**44**	24
Loss on disposal of fixed assets	**31**	-
Operating costs	**65,586**	67,953

Services provided by the Company's auditor and network firms

During the financial year, the following services were obtained from the Company's auditor as detailed below

	2013 £'000	2012 £'000
Fees payable for the audit of the Company	**66**	65
Fees payable to the Company's auditor and its associates for other services		
Tax compliance services	**19**	18
Other advisory services	**5**	-
	90	83

3. Exceptional Items

	2013 £'000	2012 £'000
Vacant property cost charge (Note 15)	-	1,178
Closure costs associated with AGPS defined benefit pension scheme	-	204
AGPS past service costs (Note 20)	-	521
AGPS Curtailments (Note 20)	-	(576)
	-	1,327

There were no exceptional items during the year (2012 1,327k)

4. Directors and employees

(a) Directors' remuneration

	2013 £'000	2012 £'000
Aggregate emoluments (including benefits in kind)	**825**	916
Contributions to defined contribution schemes	**32**	107

Retirement benefits are accruing to 1 director (2012 2) under a defined benefit scheme The defined benefit scheme was closed to future accrual on 30 April 2011, upon which existing members were given the opportunity to transfer to the defined contribution scheme

Retirement benefits are accruing to 5 directors (2012 8) under a defined contribution scheme

1 (2012 1) director exercised share options during the financial year
6 (2012 5) directors received shares under the Long term Incentive Plan during the financial year

(b) Highest paid director

	2013 £'000	2012 £'000
Aggregate emoluments (including benefits in kind and excluding gains on shares and options)	**205**	262
Defined contribution pension schemes Company contributions	**8**	51

19,758 share options at 372 0p per share were received by the highest paid director under the Long Term Incentive Plan during the financial year No share options were exercised by the highest paid director during the financial year

(c) Staff costs (including directors)

	2013 £'000	2012 £'000
Wages and salaries	**32,577**	34,506
Social security costs	**3,619**	3,848
Pension costs (Note 20)	**3,014**	3,282
Share based payment expense (Note 17)	**158**	79
	39,368	41,715

Share based payment expense reflects the award of shares under the share option scheme, operated by the Company's ultimate controlling party, Hyder Consulting PLC UK expenses are recharged in full to Hyder Consulting (UK) Limited

(d) Average monthly number of employees during the financial year (including Directors)

	2013 Number	2012 Number
Technical	**677**	717
Administration	**131**	179
	808	896

40 (2012 42) of the administration employees provide services to Hyder Group facilities and not the UK trading operation

5. Interest receivable and similar income

	2013 £'000	2012 £'000
From Group undertakings	**159**	99
Interest receivable on late payment of invoices	**53**	134
Net finance income on pension scheme (Note 20)	**1,125**	1,176
	1,337	1,409

For the financial year ended 31 March 2013 net finance income on the pension scheme of £1,125k (2012 £1,176k) is included within interest receivable and similar income

6. Interest payable and similar charges

	2013 £'000	2012 £'000
On bank loans and overdrafts	102	141
Unwinding of discounts on provisions (Note 15)	148	48
Unwinding of discounts on contingent consideration	10	-
	260	189

The unwinding of discounts on contingent consideration is in relation to consideration payable with regards to the acquisition of Power Systems Project and Consultancy Services Limited, which was completed on 18 December 2012, which has been discounted to net present value (note 13)

7. Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Current Tax		
UK Corporation tax	-	-
Overseas tax	30	54
Adjustment in respect of previous year	-	(117)
Current year tax charge/(credit)	30	(63)
Deferred tax		
Origination and reversal of timing differences (Note 12)	639	415
Impact of change in UK tax rate to 23% (Note 12)	(183)	(314)
Tax charge on profit on ordinary activities	486	38
Reconciliation of current year tax charge:		
Profit on ordinary activities before taxation	2,516	2,237
Profit on ordinary activities multiplied by the standard rate in the UK of 24% (2012 26%)	604	581
Excess tax allowable deductions over expenses not deductible for tax purposes (credit)/charge	(78)	(38)
Overseas tax	30	54
Other timing differences	(526)	(543)
Adjustment in respect of previous year	-	(117)
Current year tax charge/(credit)	30	(63)

Factors affecting current and future tax charges

The tax assessed for the year is lower (2012 lower) than the standard rate of corporation tax in the UK (24%) (2012 26%) as reconciled above

As a result of the change in the UK main corporation tax rate from 24% to 23% that will be effective from 1 April 2013, the relevant deferred tax balances have been restated at 23% accordingly

Deferred tax balances have not been discounted

8. Intangible fixed assets

	Purchased Goodwill £'000
Cost and Net Book Value at 1 April 2012	4,587
Amortisation charge for the financial year (Note 2)	(332)
Net Book Value at 31 March 2013	4,255

Goodwill is amortised over its deemed useful economic life of 20 years

The Profit and Loss account has been charged with amortisation of £332k in the year

9. Tangible fixed assets

	Leasehold properties and improvements £'000	Motor vehicles, plant, equipment, computer hardware and software £'000	Total £'000
Cost or valuation			
At 1 April 2012	1,632	5,307	6,939
Additions at cost	727	662	1,389
Disposals	(42)	(41)	(83)
At 31 March 2013	2,317	5,928	8,245
Accumulated depreciation			
At 1 April 2012	1,488	4,462	5,950
Charge for financial year	165	591	756
Disposals	(13)	(39)	(52)
At 31 March 2013	1,640	5,014	6,654
Net book value			
At 31 March 2013	677	914	1,591
At 31 March 2012	144	845	989

There are no longer any assets held under finance leases included within the net book value as they were fully depreciated in the prior year

All leasehold properties are held on short term leases During the year significant leasehold improvements were carried out at the new London office and at the Cardiff office

10 Fixed asset investments

	Interests in Subsidiary under-takings £'000	Interests in Associated under-takings £'000	Interests in Joint Ventures £'000	Total £'000
Cost				
At 1 April 2012	2,720	64	244	3,028
Additions	3,948	-	-	3,948
At 31 March 2013	**6,668**	**64**	**244**	**6,976**
Total provided/written off at 1 April 2012 and 31 March 2013	**(1,478)**	**(64)**	**(244)**	**(1,786)**
Net book value at 31 March 2013	**5,190**	**-**	**-**	**5,190**
Net book value at 31 March 2012	1,242	-	-	1,242

Hyder Consulting (UK) Limited purchased the entire share capital of Power Systems Project and Consultancy Services Limited (PCS Limited) on 18 December 2012 for a maximum consideration of £3 9m Consideration includes a contingent consideration based on achievement of performance criteria of £0 5m discounted to net present value (see note 6)

The net book value of fixed asset investments as at 31 March 2013 comprises investments in the six subsidiaries listed below The directors believe that the carrying value of the investments is supported by their underlying net assets The carrying value of investments in all other subsidiaries has been written off or provided in full within previous financial years

Subsidiaries Name	**Country of incorporation, registration and operation**	**Direct Shareholding %**
Ashact Limited	England and Wales	100
Marcus Hodges Environment Limited	England and Wales	100
Cresswell Associates (Environmental Consultants) Limited (Formerly Livic Limited)	England and Wales	100
Hyder Consulting Overseas Limited (Formerly Cresswell Associates (Environmental Consultants) Limited	England and Wales	100
ESR Technology Limited	England and Wales	100
Power Systems Project and Consultancy Services Limited	Scotland	100

11 Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Trade debtors	**9,845**	10,357
Amounts recoverable on contracts	**4,181**	7,219
Amounts owed by parent company and fellow subsidiary undertakings	**11,626**	10,430
Other debtors	**85**	163
Prepayments and accrued income	**1,060**	878
	26,797	29,047
Amounts falling due after more than one year:		
Prepayments and accrued income	**316**	93
	27,113	29,140

12 Deferred tax assets

	Pension Deficit £'000	Accelerated capital allowances £'000	Other timing differences £'000	**Total £'000**
At 1 April 2012	4,080	1,427	756	**6,263**
(Credited)/charged to profit and loss account				
Current year (Note 7)	(511)	(177)	49	**(639)**
Adjustment for change in UK tax rate to 23% (Note 7)	269	(52)	(34)	**183**
	(242)	(229)	15	**(456)**
Charged to equity				
Current year (STRGL)	1,180	-	-	**1,180**
Adjustment for change in UK tax rate to 23% (STRGL)	(467)	-	-	**(467)**
	713	-	-	**713**
At 31 March 2013	4,551	1,198	771	**6,520**

Deferred tax assets have been recognised in respect of timing differences giving rise to deferred tax assets only where it is more likely than not that these assets will be recovered in the foreseeable future

A deferred tax asset of £4 6m (2012 £4 1m) has been recognised in respect of the defined benefit pension scheme deficit, based on the future taxable profits of the UK business (please refer to Note 20 Pension schemes) The balance of deferred tax assets of £2 0m (2012 £2 2m) relating to accelerated capital allowances and other timing differences are disclosed within debtors (see Note 11)

13 Creditors

(a) Amounts fallıng due wıthın one year

	2013 £'000	2012 £'000
Bank loans and overdrafts	**1,128**	1,020
Payments receıved on account of contracts	**3,128**	2,471
Trade credıtors	**3,217**	3,439
Amounts owed to group undertakıngs	**1,981**	3,783
Corporatıon tax	**327**	318
Other taxatıon and socıal securıty	**3,254**	3,183
Other credıtors	**1,122**	810
Accruals and deferred ıncome	**2,272**	2,100
	16,429	17,124

(b) Amounts fallıng due after more than one year

	2013 £'000	2012 £'000
Bank loans and overdrafts	**5,625**	6,338
Deferred and contıngent consıderatıon	**425**	-
	6,050	6,338

At 31 March 2013 the Company has total borrowıngs of £6 3m (2012 £7 1m) comprısıng unsecured bank loans of £4 2m and £2 1m The loans have floatıng ınterest rates and are utılızed for the purpose of fundıng specıal contrıbutıons and ıncentıve payments to members of the AGPS The £4 2m ıs repayable ın 37 equal quarterly ınstalments whılst the £2 1m loan ıs repayable ın 33 equal quarterly ınstalments

The contıngent consıderatıon ıs ın relatıon to the acquısıtıon of Power Systems Project and Consultancy Servıces Lımıted whıch was completed on 18 December 2012 and has been dıscounted to net present value Thıs wıll become payable ın January 2015 ıf certaın condıtıons ıf performance crıterıa are met

(c) Maturıty of financıal lıabılıtıes

	2013 £'000	2012 £'000
Bank loans and overdrafts payable as follows		
In one year or less, or on demand	**1,128**	1,020
In more than one year, but not more than two years	**713**	713
In more than two years, but not more than five years	**2,138**	2,138
In more than five years	**2,774**	3,487
	6,753	7,358

14. Leasing commitments

At 31 March the Company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings		Others	
	2013	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000
Within one year	**87**	141	**92**	177
Between two and five years	**1,677**	1,263	**1,726**	1,084
After more than five years	**520**	501	**-**	-
	2,284	1,905	**1,818**	1,261

15. Provisions for liabilities

	Note	At 1 April 2012	Charged to profit and loss account	Utilised in year	Unwinding of discount	At 31 March 2013
		£'000	£'000	£'000	£'000	£'000
Professional indemnity insurance excesses	(a)	1,535	356	(478)	-	**1,413**
Vacant property	(b)	2,135	37	(796)	148	**1,524**
Dilapidations – other properties	(c)	-	161	-	-	**161**
		3,670	554	(1,274)	148	**3,098**

(a) Professional indemnity insurance excesses

The provision reflects management's best estimate of the likely cost of professional indemnity insurance excesses on notified claims and has been provided in accordance with Company policy These provisions will be carried forward until the claims to which they relate are agreed and the amounts utilised or released as appropriate As the Company is currently under negotiation with regard to these claims and associated settlement a number of factors could contribute to the amount and timing of final settlement that it is not possible to determine exactly as at the balance sheet date

(b) Vacant property

The provision represents the net present value of future rentals where properties are vacant These provisions will be utilised up until such time as the vacant properties are re-let (when the requirement for a provision will be reassessed), or the lease terminates, whichever occurs earlier Factors such as the strength of current and future commercial letting markets have been considered in order to provide the best estimate of vacant property costs the Company is likely to be exposed to As these factors are effected by external parties this contributes to the uncertainty surrounding the amount and exact timing of related costs

In March 2012, as part of a reorganisation programme, space in three of our offices was made vacant £1,178k of this additional exposure was charged to exceptional items in the period (note 3)

Sub let income discounted to net present value of £0 9m has been offset against future rentals in order to determine the net present value of future rentals the Company is likely to be exposed to

(c) Dilapidations – other properties

The provision relates to repairs and re-instatement costs in respect of the Company's occupied offices

16. Called up share capital

	2013 £'000	2012 £'000
Allotted and fully paid:		
16,591,000 Ordinary shares of £0 05 each (2012 16,591,000)	**830**	830

17. Share based payments

All share based payment schemes are operated and awarded by our ultimate controlling party, Hyder Consulting PLC

Hyder Consulting PLC Executive Share Option Scheme 2002 (ESOS)

The Hyder Consulting PLC Executive Share Option Scheme 2002 ('the Scheme') was approved by shareholders on 21 October 2002 The Remuneration Committee can grant options over shares in the Company to senior employees of the Group Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant The vesting period of the options is three years with the options being exercisable over the following seven years subject to the growth in adjusted earnings per share that in aggregate equates to a compound annual growth rate of at least 5% more than the increase in the Retail Price Index for each year of the performance period and continued employment Awards under the Scheme are generally reserved for employees in the senior management group

Hyder Consulting PLC 2006 Long Term Incentive Plan (LTIP)

The Hyder Consulting 2006 Long Term Incentive Plan ('the Plan') was approved by the Board on the 24 August 2006 The Remuneration Committee can grant an award under the Plan to senior employees of the Group Executive Directors of the Company can participate in the LTIP part B Equity settled options granted under the Plan are a mixture of deferred awards and matching awards Deferred awards are exercisable on the third anniversary of the date of grant being exercisable over the following seven years subject to continued employment Matching awards are similarly exercisable subject to an additional requirement for the achievement of certain targets for growth in earnings per share

Share Options

The fair value of share options with non market performance conditions has been calculated using the Black Scholes option pricing model The fair value of options with market related performance conditions are measured using the Monte Carlo model Expected volatility was determined by calculating the historical volatility of the group's share price over a period prior to grant equal in length to the vesting period, which equates to a three year share price history (2012 three year share price history) The risk free rate of return was assumed to be the yield to maturity on a UK Gilt strip with the term to maturity equal to the expected life of the option The expected dividend yield is an estimate of the dividend yield at the date of grant for the duration of the option's life

The assumptions used in the valuation of the model are as follows

	LTIP Jul 12
Risk free rate of return	0 31%
Dividend yield	2 42%
Share price volatility	55 98%
Vesting period	3 years
Expected life	7 years
Share price at grant date	370 0p

The Company recognised costs of £158k (2012 £79k) related to share based payment transactions as recharged from Hyder Consulting PLC within the financial year (see Note 4c)

Notes to the Fınancial Statements

Set out below are summarıes of optıons granted under Hyder group schemes to Hyder Consultıng (UK) Lımıted employees

As at 31 March 2013

Scheme	Award date		Exercise price (pence)	Fair value (pence)	Number of employees	Awards outstanding at 31 March 2012	Granted during the year	Exercised during the year	Transferred during the year	Forfeited during the year	Awards outstanding at 31 March 2013	Awards exercisable at 31 March 2013
ESOS	19-Jun-03	2003	87 5	35 5	1	10,000	-	(5,000)	-	-	5,000	5,000
ESOS	03 Aug-04	2004	139 5	57 1	3	7,000	-	(3,500)	-		3,500	3,500
ESOS	10-Jun-05	2005	194 0	76 4	1	15,000	-	(10,000)	-		5,000	5,000
ESOS	30-Jun-06	2006	256 3	99 1	2	20,000	-	(5,000)	-	-	15,000	15,000
ESOS	15-Jun-07	2007	525 0	139 0	2	7,000	-		-		7,000	7,000
ESOS	18-Jul-08	2008	348 5	71 0	1	17,000	-		-	-	17,000	17,000
LTIP (A)	18 Jul-08	2008	Nil	337 7	1	6,289	-		-	-	6,289	6,289
LTIP (A)	19-Jun-09	2009	Nil	139 8	2	27,024	-	(9,992)	-	(7,038)	9,994	9,994
LTIP (A)	16-Jun-10	2010	Nil	277 5	6	48,471	-		-	-	48,471	-
LTIP (A)	15-Jun-11	2011	Nil	381 0	8	46,451	-	-	-	-	46,451	-
LTIP (A)	12 Jul-12	2012	Nil	346 0	10	-	69,578		-	-	69,578	-
						204,235	69,578	(33,492)	-	(7,038)	233,283	68,783
Weighted average exercise price of share options								123.82			65 75	223 01

As at 31 March 2012

Scheme	Award date		Exercise price (pence)	Fair value (pence)	Number of employees	Awards outstanding at 31 March 2011	Granted during the year	Exercised during the year	Transferred during the year	Forfeited during the year	Awards outstanding at 31 March 2012	Awards exercisable at 31 March 2012
ESOS	19-Jun-03	2003	87 5	35 5	2	22,000	-	(7,000)	-	(5,000)	10,000	10,000
ESOS	03-Aug-04	2004	139 5	57 1	5	33,000	-	(15,000)	(10,000)	(1,000)	7,000	7,000
ESOS	10-Jun-05	2005	194 0	76 4	2	50,000	-	(15,000)	(20,000)	-	15,000	15,000
ESOS	30-Jun-06	2006	256 3	99 1	3	30,000	-		(10,000)	-	20,000	20,000
ESOS	03-Jul-06	2006	254 8	98 9	0	5,000	-	(5,000)	-	-	-	-
ESOS	15-Jun-07	2007	525 0	139 0	2	7,000	-	-	-	-	7,000	7,000
ESOS	18-Jul-08	2008	348 5	71 0	2	29,750	-	(4,250)	(8,500)	-	17,000	17,000
LTIP (A)	15-Jun-07	2007	Nil	505 9	0	2,666	-	-	(2,666)	-	-	-
LTIP (A)	18-Jul-08	2008	Nil	337 7	1	14,000	-	-	(6,289)	(1,422)	6,289	6,289
LTIP (A)	19-Jun-09	2009	Nil	139 8	4	33,780	-	-	0	(6,756)	27,024	-
LTIP (A)	16-Jun-10	2010	Nil	277 5	6	58,639	-	-	(10,168)	-	48,471	-
LTIP (A)	15-Jun-11	2011	Nil	381 0	8	-	46,451	-		-	46,451	-
						285,835	46,451	(46,250)	(67,623)	(14,178)	204,235	82,289
Weighted average exercise price of share options								180 98			95 41	236 80

No optıons expıred durıng the perıods covered by the above tables

18. Profit and loss account

	£'000
At 1 April 2012	**7,288**
Profit for the financial year	2,030
Actuarial loss on pension scheme (see Note 20)	(4,916)
Deferred tax on actuarial loss	1,180
Deferred tax adjustment for change in UK tax rate	(467)
Foreign currency translation loss	(24)
At 31 March 2013	**5,091**
Net Pension deficit (see Note 20)	15,236
Profit and loss account excluding pension deficit	20,327

19. Directors' and officers' loans and transactions

Other than disclosed in the Directors' report, no loans or credit transactions with any directors, officers or connected persons subsisted during the financial year or were outstanding at the end of the financial year

20. Pension schemes

Employees of the Company participate in a number of pension schemes in the UK The assets of each pension scheme are held separately from the assets of the Company and are administered by trustees During the financial year contributions were made to the Hyder Consulting (UK) Limited Group Personal Pension Plan, a defined contribution scheme, and the Acer Group Pension Scheme (AGPS), a defined benefit scheme During the financial year £3 0m (2012 £3 1m) contributions were made to the defined contribution scheme and at 31 March 2013 there were outstanding contributions to this scheme of £252k (2012 £248k)

The Company is the principal employer of the AGPS The pension cost for the AGPS has been assessed, in accordance with actuarial advice, using the projected unit method For this purpose the main actuarial assumptions used are based upon a discount rate of 4 35% (2012 4 7%) per annum, investment return of 5 9% (2012 6 2%) per annum, and increases to pensions in payment of 2 55% (2012 2 45%), 3 35% (2012 3 15%) and 2 20% (2012 2 15%) per annum for increases in line with the RPI capped at 3%, 5% and 2 5% respectively

A full actuarial valuation of the AGPS was carried out as at 1 April 2011 and updated to 31 March 2013 by a qualified independent actuary The contributions made to the scheme in the financial year were £1 0m (2012 £4 0m), with £0 1m (2012 £0 1m) paid to annuitants

The scheme was closed to future benefit accrual on 30 April 2011 The post retirement mortality assumption incorporates a scheme specific base table and an allowance for future improvements in mortality rates from 2004 onwards in line with the 2010 Continuous Mortality Investigation Model with a long term improvement rate of 1 5% and a 100% convergence rate

The total pension costs to the Company, as disclosed in the staff costs note (Note 4c), for the defined contribution scheme and the AGPS for the financial year was £3 0m (2012 £3 3m) Audit fees for the AGPS amounted to £10k for the financial year (2012 £10k)

The key assumptions and the sensitivities of the AGPS liabilities to changes in these assumptions are shown below

Assumption	Change in assumption	Indicative effect on scheme liabilities
Discount rate	Increase / decrease by 0 5%	Decrease / increase by 9%
Rate of inflation	Increase / decrease by 0 5%	Increase / decrease by 5-6%
Longevity	Increase by 1 year	Increase by 2-3%

The key assumptions used are as follows

	At 31 March 2013	At 31 March 2012
	% per annum	% per annum
Rate of increase of salaries	N/A	N/A
Rate of increases to pensions in payment		
- RPI up to a maximum	**3, 5 & 2.5**	3,5 & 2 5
Discount rate	**4.35**	4 70
Inflation assumptions (RPI)	**3.55**	3 30
Inflation assumptions (CPI)	**2.55**	2 30
Longevity at age 65 for current pensioners		
- Males	**23.7 years**	23 2 years
- Females	**25.4 years**	24 9 years
Longevity at age 65 for future pensioners		
- Males currently aged 45	**25.8 years**	25 4 years
- Females currently aged 45	**27.7 years**	27 4 years

The assets in the scheme and the expected rate of return were

	Long term rate of return expected at 31 March 2013 % per annum	**Value at 31 March 2013 £'000**	Long term rate of return expected at 31 March 2012 % per annum	Value at 31 March 2012 £'000
Equities	6 60	**112,772**	7 10	87,869
Bonds	3 00	**28,739**	4 30	40,153
Other	0 50	**481**	0 50	514
Total market value of assets		**141,992**		128,536
Present value of scheme liabilities		**(161,081)**		(144,841)
Deficit in the scheme		**(19,089)**		(16,305)
Present value of unfunded liabilities		**(698)**		(694)
Pension deficit		**(19,787)**		(16,999)
Related deferred tax asset		**4,551**		4,080
Net pension deficit		**(15,236)**		(12,919)

History of experience gains and losses

	2013 £'000	2012 £ 000	2011 £'000	2010 £ 000	2009 £'000
Fair value of scheme assets	**141,992**	128,536	114,741	101,773	75,714
Present value of scheme obligations	**(161,779)**	(145,535)	(132,736)	(128,260)	(102,892)
Deficit in the scheme	**(19,787)**	(16,999)	(17,995)	(26,487)	(27,178)
Experience adjustments on scheme assets					
Amount (£m)	**9 2**	6 5	5 0	17 9	(18 9)
Percentage of scheme assets	**7%**	5%	4%	18%	(25%)
Experience adjustments on scheme liabilities					
Amount (£m)	**(14 1)**	(10 8)	(0 1)	(21 4)	13 0
Percentage of scheme liabilities	**9%**	7%	0%	17%	(13%)
Cumulative amount recognised in statement total recognised gains and losses					
Amount (£m)	**(23 0)**	(18 1)	(13 9)	(18 8)	(15 3)

The estimated amount of contributions expected to be paid into the AGPS during the year ended 31 March 2014 is £1 6m (2013 £1 8m)

Notes

(1) At the date of the last funding valuation (1 April 2011), the AGPS held assets to the value of £114 4m This represented a funding level of 86% of the scheme's accrued liabilities at that date (1 April 2008 70%)

Movement in the present value of the scheme obligations	2013	2012
	£'000	£'000
At 1 April	**145,535**	132,736
Current service costs	-	112
Past service costs	-	521
Interest on pension scheme liabilities	**6,733**	7,160
Curtailments	-	(576)
Actuarial loss	**14,135**	10,765
Contributions by scheme participants	-	7
Benefits paid from plan	**(4,624)**	(5,190)
At 31 March	**161,779**	145,535

Movement in the present value of the scheme assets	2013	2012
	£'000	£'000
At 1 April	**128,536**	114,741
Expected return on scheme assets	**7,858**	8,336
Actuarial gain	**9,219**	6,540
Contributions from employers	**1,003**	4,102
Contributions by scheme participants	-	7
Benefits paid from plan	**(4,624)**	(5,190)
At 31 March	**141,992**	128,536

Analysis of the amount charged to operating profit	2013	2012
	£'000	£'000
Current service cost	-	(112)
Past service costs	-	(521)
Curtailments	-	576
Net charge	-	(57)

Analysis of the amount credited to interest receivable and similar income	2013	2012
	£'000	£'000
Interest on pension scheme liabilities	**(6,733)**	(7,160)
Expected return on pension scheme assets	**7,858**	8,336
Net income	**1,125**	1,176

Analysis of amount recognised in statement of total recognised gains and losses	2013	2012
	£'000	£'000
Actual return less expected return on pension scheme assets	**9,219**	6,540
Experience gains and losses arising on the scheme liabilities	**(14,135)**	(10,765)
Actuarial loss	**(4,916)**	(4,225)

21. Contingent liabilities

The Directors do not consider any provision is necessary in respect of potential professional indemnity claims relating to contracts not covered by insurance or provided for in the financial statements, as they consider any likelihood of loss to be remote based on legal and other advice received

The Company has entered into performance guarantees supporting project requirements The Directors do not consider any provision is necessary in respect of these guarantees

22. Related party transactions

In accordance with the exemption afforded by FRS 8 Related party disclosures, there is no disclosure in these financial statements of transactions with entities that are part of the Hyder Consulting PLC group

23 Company undertakings

Subsidiaries

Name	Country of incorporation, registration and operation	Direct Shareholding %
Ashact Limited	England and Wales	100
Marcus Hodges Environment Limited	England and Wales	100
Cresswell Associates (Environmental Consultants) Limited (Formerly Livic Limited)	England and Wales	100
Hyder Consulting Overseas Limited (Formerly Cresswell Associates (Environmental Consultants) Limited)	England and Wales	100
RPA Quantity Surveyors Limited	England and Wales	100
ESR Technology Limited	England and Wales	100
Acer Partnerships Limited	England and Wales	100
Acer Sir Bruce White Limited	England and Wales	100
Hyder Consulting (UK) Filiala Bucuresti SRL	Romania	100
Power Systems Project and Consultancy Services Limited	Scotland	100

Joint ventures

Name	Country of incorporation, registration and operation	Proportion %
McCarthy Hyder Consultants Ltd	Ireland	50

24. Ultimate holding company and controlling party

The Company's intermediate holding company is Hyder Consulting Europe Ltd and its ultimate holding company and controlling party is Hyder Consulting PLC, a company registered in England and Wales Copies of the report and the consolidated financial statements of Hyder Consulting PLC are available from The Company Secretary, Manning House, 22 Carlisle Place, London, SW1P 1JA