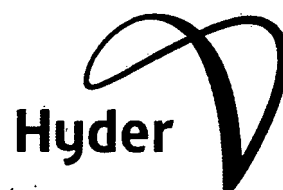
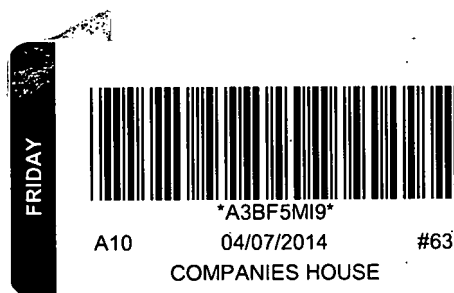


Hyder Consulting (UK) Limited

Annual Report and Financial Statements for the Year Ended 31 March 2014



Registered office
Manning House
22 Carlisle Place
London
SW1P 1JA

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Directors and Advisers

Directors

MB Alghita
S Bradley
AR Clark
FR Davidson
AF Davies (resigned 6 March 2014)
AL Henderson (resigned 17 April 2013)
CY Ludski (appointed 26 February 2014)
SR Randall (appointed 26 February 2014)
GM Reid

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 Lawrence Graham and Co
55 Colmore Row
Birmingham
B3 2AS

Principal Bankers

HSBC Bank PLC
22 Victoria Street
London
SW1N 0NJ

The directors present their Strategic Report for the year ended 31 March 2014.

Principal activities and business review

Hyder Consulting (UK) Limited 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's results are ahead of plan and the previous year. Despite the tough market conditions in the construction industry, the government has broadly maintained investment in transport infrastructure, with rail taking a growing share of the available funds.

Our rail business has performed well, and we have seen an increase in commitment to infrastructure with major enhancement and upgrade schemes at various stations including London Bridge and Manchester Victoria. In addition, new major projects and programmes were identified to enhance the capacity of existing lines through major electrification, re-signalling and platform extension schemes. Our electrification team has also secured three major commissions including NEP Valley Lines Electrification and two packages on the Southern E&P Framework.

In our highways business we have seen an increasing spend this year, particularly with the Highways Agency under our framework contracts. We have recently been awarded the client agent commission for M4 Corridor around Newport and are continuing work on a number of other contracts including Manchester Smart Motorway and M4 J3-12 Improvements.

The conditions within the utilities sector and the regulated water market in particular, have been competitive. Procurement for AMP6 is underway with projects tending to be maintenance-based solutions of smaller capital value than the larger capital market AMP5 projects.

Our newly integrated energy and environment sector is experiencing good conditions in all of our markets. The Environment team remain very active in land development projects, where we continue to work with some of the largest ongoing schemes in the UK.

The results of the Company do not include the trading result of our recent acquisitions: ESR Technology; and PCS which have both performed in line with expectations.

Current Trading and Outlook

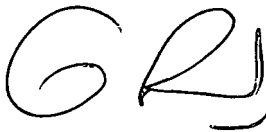
We monitor the market closely to identify trends and adjust our business appropriately. We believe that our sector structure will remain flexible to market changes and will enable the business to be responsive to new opportunities as they arise. We have a strong order book and opportunity pipeline going into the new year. We have completed the purchase of SR³C Ltd, a multi-disciplinary safety, environmental, engineering and risk management consultancy, on 6 June 2014, which further enhances our presence in the Energy sector and adds to the capabilities we can offer to our clients.

Key performance indicators and principal risks and uncertainties

- Turnover £76m (2013: £67m)
- Operating profit £3.7m (2013: £1.4m)
- Operating profit, adjusted for exceptional items and the amortisation of intangible assets, £4.0m (2013: £1.8m)
- Adjusted operating margin 5% (2013: 3%)
- Average number of employees: 796 (2013: 808)

The company considers management of projects, recruitment, utilisation and retention of key staff and management of working capital to be the principal risks and uncertainty it faces. Risk management and internal control systems are in operation and the risks are regularly monitored by the board. These systems provide a means of identifying, evaluating and managing the significant risks facing the business.

By order of the board



GM Reid
Chairman
20 June 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2014.

Results and dividends

The profit on ordinary activities before taxation amounted to £5.0m (2013: £2.5m). The profit for the financial year was £3.9m (2013: £2.0m). The directors do not recommend payment of a dividend (2013: £nil).

Exceptional items

There were no exceptional items incurred in the year (2013: £nil).

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 3 of the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

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 9 year term unsecured facilities totalling £5.6m 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 largely limited to financial institutions with an A 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. Established procedures exist to monitor foreign exchange risks in accordance with policies set by the board of Hyder Consulting PLC.

Employment policies

Hyder 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.

Employment policies (continued)

To this end, management have developed, and review periodically, a framework of comprehensive policies which will balance both Hyder's and the individual's needs. Across the Company all employees have the opportunity to discuss their individual performance and development in a focused way (with their line manager or HR Business Partner).

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's aim is 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 process ensures all employees have clear 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 newsletters, webinars, presentations, employee engagement forums 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 19.

The gross deficit in the scheme at 31 March 2014 increased to £21.8m (2013: £19.1m); the deficit including unfunded liabilities and net of deferred tax increased to £17.9m (2013: £15.2m). 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 £2.3m made in the year. The actuarial loss is primarily due to worse than expected investment returns although this has been partially offset by a small reduction in the inflation assumption. Fixed contributions will amount to £1.55m for the current year; increase by £0.25m 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). A contingent contribution payment of £0.7m was made in the year.

Post-employment benefits (continued)

The main assumptions in valuing the deficit are shown in note 19. 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 8-9%
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 2014 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

We have completed the purchase of SR³C Ltd, a Nuclear safety & Risk business, effective 1st June 2014 for an initial cost of £3.5m with a further £3m payable contingent on future performance. This further enhances our presence in the Energy sector and adds to the capabilities we can offer to our clients.

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 27 in note 15 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

A handwritten signature in black ink, appearing to be 'GM Reid', with a horizontal line underneath the signature.

GM Reid
Chairman
20 June 2014

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Hyder Consulting (UK) Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account and statement of total recognised gains and losses for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & 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.



Bowker Andrews (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 June 2014

Profit and Loss Account for the Year Ended 31 March 2014

	Note	2014 £'000	2013 £'000
Turnover	1	76,413	67,025
Operating costs	2	(72,732)	(65,586)
Operating profit	2	3,681	1,439
Interest receivable and similar income	4	1,529	1,337
Interest payable and similar charges	5	(208)	(260)
Profit on ordinary activities before taxation		5,002	2,516
Tax on profit on ordinary activities	6	(1,062)	(486)
Profit for the financial year	17	3,940	2,030

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 2014

	Note	2014 £'000	2013 £'000
Profit for the financial year		3,940	2,030
Actuarial loss on pension scheme	19	(6,297)	(4,916)
Deferred tax on actuarial loss	11	1,449	1,180
Deferred tax adjustment for change in UK tax rate	11	(1,591)	(467)
Foreign currency translation loss		(21)	(24)
Total recognised gains and losses relating to the financial year		(2,520)	(2,197)

Reconciliation of Movements in Shareholders' Funds for the Year Ended 31 March 2014

	Note	2014 £'000	2013 £'000
Profit for the financial year		3,940	2,030
Actuarial loss on pension scheme	19	(6,297)	(4,916)
Deferred tax on actuarial loss	11	1,449	1,180
Deferred tax adjustment for change in UK tax rate	11	(1,591)	(467)
Foreign currency translation loss		(21)	(24)
Net decrease in shareholders' funds		(2,520)	(2,197)
Opening shareholders' funds as previously reported		5,921	8,118
Closing shareholders' funds		3,401	5,921

Balance Sheet as at 31 March 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	7	3,923	4,255
Tangible assets	8	1,852	1,591
Investments	9	5,190	5,190
		10,965	11,036
Current assets			
Debtors (including £221k (2013: £316k) due after 1 year)	10	30,285	27,113
Deferred tax assets	11	1,551	1,969
Cash at bank and in hand		9,858	6,616
		41,694	35,698
Creditors: amounts falling due within one year	12a	(23,141)	(16,429)
Net current assets		18,553	19,269
Total assets less current liabilities		29,518	30,305
Creditors: amounts falling due after more than one year	12b	(4,912)	(6,050)
Provisions for liabilities	14	(3,279)	(3,098)
Net assets excluding pension deficit		21,327	21,157
Pension liability	19	(17,926)	(15,236)
Net assets including pension deficit		3,401	5,921
Capital and reserves			
Called up share capital	15	830	830
Profit and loss account	17	2,571	5,091
Total shareholders' funds		3,401	5,921

The financial statements on pages 11 to 34 were approved by the Board of Directors and were signed on its behalf by:



AR Clark
Finance Director
20 June 2014

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 2014 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
Plant and equipment	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 10.57%.

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

The Company's revenue is derived from the provision of design and engineering consultancy services.

(a) Turnover by destination

	2014 £'000	2013 £'000
United Kingdom and rest of Europe	70,694	65,194
Rest of the world	633	392
Total to third parties	71,327	65,586
Total to fellow subsidiary undertakings	5,086	1,439
	<u>76,413</u>	<u>67,025</u>

(b) Turnover by origin

	2014 £'000	2013 £'000
United Kingdom and rest of Europe	71,327	65,586
Total to third parties	71,327	65,586
Total to fellow subsidiary undertakings	5,086	1,439
	<u>76,413</u>	<u>67,205</u>

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

2. Operating profit

	2014 £'000	2013 £'000
Operating profit is stated after charging:		
Staff costs (note 3c)	40,739	39,368
Depreciation (note 8)	823	756
Amortisation of goodwill (note 7)	332	332
Rentals under operating leases:		
Land and buildings	1,818	1,860
Plant and machinery	545	1,196
Other	1,107	478
Other operating charges	27,341	21,521
Exchange differences	12	44
Loss on disposal of fixed assets	15	31
Operating costs	72,732	65,586

Services provided by the Company's auditors and network firms

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

	2014 £'000	2013 £'000
Fees payable for the audit of the Company	66	66
Fees payable to the Company's auditors and its associates for other services:		
Tax compliance services	23	19
Other advisory services	-	5
	89	90

3. Directors and employees

(a) Directors' remuneration

	2014 £'000	2013 £'000
Aggregate emoluments (including benefits in kind)	920	825
Compensation for loss of office	37	-
Contributions to defined contribution schemes	38	32

Retirement benefits are accruing to 1 director (2013: 1) 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 8 directors (2013: 5) under a defined contribution scheme.

2 (2013: 1) director exercised share options during the financial year.

5 (2013: 6) directors received shares under the Long term Incentive Plan during the financial year.

(b) Highest paid director

	2014 £'000	2013 £'000
Aggregate emoluments (including benefits in kind and excluding gains on shares and options)	219	205
Defined contribution pension schemes: Company contributions	8	8

16,207 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)

	2014 £'000	2013 £'000
Wages and salaries	33,762	32,577
Social security costs	3,584	3,619
Other pension costs (note 19)	3,394	3,014
Share based payment (credit)/expense (note 16)	(1)	158
	40,739	39,368

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.

3. Directors and employees (continued)

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

	2014 Number	2013 Number
Technical	660	677
Administration	136	131
	796	808

42 (2013:40) of the administration employees provide services to Hyder Group facilities and not the UK trading operation.

4. Interest receivable and similar income

	2014 £'000	2013 £'000
Bank interest receivable	14	-
From Group undertakings	218	159
Interest receivable on late payment of invoices	1	53
Net finance income on pension scheme (note 19)	1,296	1,125
	1,529	1,337

For the financial year ended 31 March 2014 net finance income on the pension scheme of £1,296k (2013: £1,125k) is included within interest receivable and similar income.

5. Interest payable and similar charges

	2014 £'000	2013 £'000
On bank loans and overdrafts	81	102
Unwinding of discounts on provisions (note 14)	86	148
Unwinding of discounts on contingent consideration	40	10
Interest charged on late payment of invoices	1	-
	208	260

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 12).

Notes to the Financial Statements (continued)

6. Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current Tax		
UK Corporation tax	455	-
Overseas tax	245	30
Adjustments in respect of prior years	34	-
Current year tax charge	734	30
Deferred tax		
Origination and reversal of timing differences (note 11)	1,028	639
Impact of change in UK tax rate to 21%/20% (note 11)	(700)	(183)
Tax charge on profit on ordinary activities	1,062	486
Reconciliation of current year tax charge:		
Profit on ordinary activities before taxation	5,002	2,516
Profit on ordinary activities multiplied by the standard rate in the UK of 23% (2013: 24%)	1,150	604
Excess tax allowable deductions over expenses not deductible for tax purposes credit	333	(78)
Overseas tax	245	30
Other timing differences	(1,028)	(526)
Adjustments in respect of prior years	34	-
Current year tax charge	734	30

Factors affecting current and future tax charges

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK (23%) (2013: 24%) as reconciled above.

It was announced in the budget of 21 March 2013 that the main rate of corporation tax would be reduced to 21% from 1 April 2014 and 20% from 1 April 2015. This was substantively enacted on 2 July 2013. As a result, the relevant deferred tax balances have been restated at 21%/20% accordingly, dependant on which rate will be in effect when the assets are expected to be utilised.

Deferred tax balances have not been discounted.

Notes to the Financial Statements (continued)

7. Intangible fixed assets

	Purchased Goodwill £'000
Cost and Net Book Value at 1 April 2013	4,255
Amortisation charge for the financial year (note 2)	(332)
Net Book Value at 31 March 2014	3,923

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.

8. 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 2013	2,317	5,928	8,245
Additions at cost	289	797	1,086
Disposals	-	(77)	(77)
At 31 March 2014	2,606	6,648	9,254
Accumulated depreciation			
At 1 April 2013	1,640	5,014	6,654
Charge for financial year	187	636	823
Disposals	-	(75)	(75)
At 31 March 2014	1,827	5,575	7,402
Net book value	779	1,073	1,852
At 31 March 2014			
At 31 March 2013	677	914	1,591

No assets are held under finance leases.

All leasehold properties are held on short term leases.

9. 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 2013 and 31 March 2014	6,668	64	244	6,976
Total provided/written off at 1 April 2013 and 31 March 2014	(1,478)	(64)	(244)	(1,786)
Net book value at 31 March 2013 and 31 March 2014	5,190	-	-	5,190

The net book value of fixed asset investments as at 31 March 2014 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	Country of incorporation, registration and operation	Direct Shareholding %
Name		
Ashact Limited	England and Wales	100
Marcus Hodges Environment Limited	England and Wales	100
Cresswell Associates (Environmental Consultants) Limited	England and Wales	100
Hyder Consulting Overseas Limited	England and Wales	100
ESR Technology Limited	England and Wales	100
Power Systems Project and Consultancy Services Limited	Scotland	100

10. Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade debtors	7,217	9,845
Amounts recoverable on contracts	6,197	4,181
Amounts owed by parent company and fellow subsidiary undertakings	15,255	11,626
Other debtors	277	85
Prepayments and accrued income	1,118	1,060
	30,064	26,797
Amounts falling due after more than one year:		
Prepayments and accrued income	221	316
	30,285	27,113

11. Deferred tax assets

	Pension Deficit £'000	Accelerated capital allowances £'000	Other timing differences £'000	Total £'000
At 1 April 2013	4,551	1,198	771	6,520
(Charged)/Credited to profit and loss account:	(842)	520	(706)	(1,028)
Current year (note 6)				
Adjustment for change in UK tax rate to 21%/20% (note 6)	932	(224)	(8)	700
	90	296	(714)	(328)
Charged to equity:				
Current year (STRGL)	1,449	-	-	1,449
Adjustment for change in UK tax rate to 21%/20% (STRGL)	(1,591)	-	-	(1,591)
	(142)	-	-	(142)
At 31 March 2014	4,499	1,494	57	6,050

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 £4.5m (2013: £4.6m) 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 19 Pension schemes). The balance of deferred tax assets of £1.6m (2013: £2.0m) relating to accelerated capital allowances and other timing differences are disclosed within current assets.

12. Creditors

(a) Amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans and overdrafts	956	1,128
Contract payments received on account	4,056	3,128
Trade creditors	3,250	3,217
Amounts owed to group undertakings	5,180	1,981
Corporation tax	509	327
Other taxation and social security	3,112	3,254
Other creditors	1,208	1,122
Accruals and deferred income	4,404	2,272
Deferred and contingent consideration	466	-
	23,141	16,429

The contingent consideration is in relation to the acquisition of Power Systems Project and Consultancy Services Limited which was completed on 18 December 2012 and has been discounted to net present value. This will become payable in January 2015 if certain performance criteria conditions are met.

(b) Amounts falling due after more than one year

	2014 £'000	2013 £'000
Bank loans and overdrafts	4,912	5,625
Deferred and contingent consideration	-	425
	4,912	6,050

At 31 March 2014 the Company has total borrowings of £5.6m (2013: £6.3m) comprising unsecured bank loans of £3.8m and £1.8m. The loans have floating interest rates and are utilised for the purpose of funding special contributions and incentive payments to members of the AGPS. The £3.8m is repayable in 33 equal quarterly instalments whilst the £1.8m loan is repayable in 29 equal quarterly instalments.

(c) Maturity of financial liabilities

	2014 £'000	2013 £'000
Bank loans and overdrafts payable as follows:		
In one year or less, or on demand	956	1,128
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	2,061	2,774
	5,868	6,753

Notes to the Financial Statements (continued)

13. Leasing commitments

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

	Land and buildings		Others	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Within 1 year	338	87	877	92
Between two and five years	1,514	1,677	884	1,726
After more than 5 years	377	520	-	-
	2,229	2,284	1,761	1,818

14. Provisions for liabilities

	Note	At 1 April 2013	Charged to profit and loss account	Utilised in year	Unwinding of discount	At 31 March 2014
		£'000	£'000	£'000	£'000	£'000
Professional Indemnity insurance excesses	(a)	1,413	949	(956)	-	1,406
Vacant property	(b)	1,524	54	(441)	86	1,223
Dilapidations – other properties	(c)	161	489	-	-	650
		3,098	1,492	(1,397)	86	3,279

(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.

Sub let income discounted to net present value of £0.5m 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 reinstatement costs in respect of the Company's occupied offices.

15. Called up share capital

	2014 £'000	2013 £'000
Allotted and fully paid:		
16,591,000 Ordinary shares of £0.05 each (2013: 16,591,000)	830	830

16. 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 (2013: 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.

Notes to the Financial Statements (continued)

16. Share based payments (continued)

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

	LTIP Jul 13
Risk free rate of return	0.69%
Dividend yield	2.65%
Share price volatility	41.80%
Vesting period	3 years
Expected life	7 years
Share price at grant date	453.5p

The Company recognised income of £1k (2013: costs of £158k) related to share based payment transactions as recharged from Hyder Consulting PLC within the financial year (see note 3c).

Set out below are summaries of options granted under Hyder group schemes to Hyder Consulting (UK) Limited employees:

As at 31 March 2014

Scheme	Award date	Exercise price (pence)	Fair value (pence)	Number of employees	Awards outstanding at 31 March 2013	Granted during the year	Exercised during the year	Transferred during the year	Forfeited during the year	Awards outstanding at 31 March 2014	Awards exercisable at 31 March 2014
ESOS	19-Jun-03	2003	87.5	0	5,000	-	(5,000)	-	-	-	-
ESOS	03-Aug-04	2004	139.5	1	3,500	-	(2,500)	-	-	1,000	1,000
ESOS	10-Jun-05	2005	194.0	1	5,000	-	-	-	-	5,000	5,000
ESOS	30-Jun-06	2006	256.3	1	15,000	-	(10,000)	-	-	5,000	5,000
ESOS	15-Jun-07	2007	525.0	2	7,000	-	-	-	-	7,000	7,000
ESOS	18-Jul-08	2008	348.5	0	17,000	-	(17,000)	-	-	-	-
LTIP (A)	18-Jul-08	2008	Nil	1	6,289	-	-	-	-	6,289	6,289
LTIP (A)	19-Jun-09	2009	Nil	2	9,994	-	-	-	-	9,994	9,994
LTIP (A)	16-Jun-10	2010	Nil	3	48,471	-	(11,023)	-	(14,539)	22,909	22,909
LTIP (A)	15-Jun-11	2011	Nil	7	46,451	-	(911)	-	(2,805)	42,735	-
LTIP (A)	12-Jul-12	2012	Nil	8	69,578	-	(493)	-	(9,183)	59,902	-
LTIP (A)	11-Jul-13	2013	Nil	9	-	61,881	-	-	(4,101)	57,780	-
					233,283	61,881	(46,927)	-	(30,628)	217,609	57,192
Weighted average exercise price of share options					197.61			27.87			
								106.06			

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	1	10,000	-	(5,000)	-	-	5,000.00	5,000.00
ESOS	03-Aug-04	2004	139.5	3	7,000	-	(3,500)	-	-	3,500.00	3,500.00
ESOS	10-Jun-05	2005	194.0	1	15,000	-	(10,000)	-	-	5,000.00	5,000.00
ESOS	30-Jun-06	2006	256.3	2	20,000	-	(5,000)	-	-	15,000.00	15,000.00
ESOS	15-Jun-07	2007	525.0	2	7,000	-	-	-	-	7,000.00	7,000.00
ESOS	18-Jul-08	2008	348.5	1	17,000	-	-	-	-	17,000.00	17,000.00
LTIP (A)	18-Jul-08	2008	Nil	1	6,289	-	-	-	-	6,289.00	6,289.00
LTIP (A)	19-Jun-09	2009	Nil	2	27,024	-	(9,992)	-	(7,038)	9,994	9,994
LTIP (A)	16-Jun-10	2010	Nil	6	48,471	-	-	-	-	48,471.00	-
LTIP (A)	15-Jun-11	2011	Nil	8	46,451	-	-	-	-	46,451.00	-
LTIP (A)	12-Jul-12	2012	Nil	10	-	69,578	-	-	-	69,578.00	-
					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			

No options expired during the years covered by the above tables.

17. Profit and loss account

	£'000
At 1 April 2013	5,091
Profit for the financial year	3,940
Actuarial loss on pension scheme (see note 19)	(6,297)
Deferred tax on actuarial loss	1,449
Deferred tax adjustment for change in UK tax rate	(1,591)
Foreign currency translation loss	(21)
At 31 March 2014	2,571
Net Pension deficit (see note 19)	17,926
Profit and loss account excluding pension deficit	20,497

18. 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.

19. 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 £3.4m (2013: £3.0m) contributions were made to the defined contribution scheme and at 31 March 2014 there were outstanding contributions to this scheme of £291k (2013: £252k).

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% (2013: 4.35%) per annum, investment return of 6.25% (2013: 5.85%) per annum, and increases to pensions in payment of 2.5% (2013: 2.55%), 3.3% (2013: 3.35%) and 2.20% (2013: 2.20%) 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 2014 by a qualified independent actuary. The contributions made to the scheme in the financial year were £2.3m (2013: £1.0m), with £0.1m (2013: £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 3c), for the defined contribution scheme and the AGPS for the financial year was £3.4m (2013: £3.0m). Audit fees for the AGPS amounted to £10k for the financial year (2013: £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 8-9%
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 2014	At 31 March 2013
	% 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	2.5, 3 & 5	2.5, 3 & 5
Discount rate	4.35	4.35
Inflation assumptions (RPI)	3.45	3.55
Inflation assumptions (CPI)	2.45	2.55
Longevity at age 65 for current pensioners		
- Males	23.8 years	23.7 years
- Females	25.4 years	25.4 years
Longevity at age 65 for future pensioners		
- Males currently aged 45	25.9 years	25.8 years
- Females currently aged 45	27.8 years	27.7 years

19. Pension schemes (continued)

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

	Long term rate of return expected at 31 March 2014 % per annum	Value at 31 March 2014 £'000	Long term rate of return expected at 31 March 2013 % per annum	Value at 31 March 2013 £'000
Equities	7.00	110,592	6.60	112,772
Bonds	3.50	28,022	3.00	28,739
Other	0.50	281	0.50	481
Total market value of assets		138,895		141,992
Present value of scheme liabilities		(160,653)		(161,081)
Deficit in the scheme		(21,758)		(19,089)
Present value of unfunded liabilities		(667)		(698)
Pension deficit		(22,425)		(19,787)
Related deferred tax asset		4,499		4,551
Net pension deficit		(17,926)		(15,236)

History of experience gains and losses:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Fair value of scheme assets	138,895	141,992	128,536	114,741	101,773
Present value of scheme obligations	(161,320)	(161,779)	(145,535)	(132,736)	(128,260)
Deficit in the scheme	(22,425)	(19,787)	(16,999)	(17,995)	(26,487)
Experience adjustments on scheme assets					
Amount (£m)	(8.1)	9.2	6.5	5.0	17.9
Percentage of scheme assets	6%	7%	5%	4%	18%
Experience adjustments on scheme liabilities					
Amount (£m)	1.8	(14.1)	(10.8)	0.1	(21.4)
Percentage of scheme liabilities	1%	9%	7%	0%	17%
Cumulative amount recognised in statement total recognised gains and losses					
Amount (£m)	(29.3)	(23.0)	(18.1)	(13.9)	(18.8)

The estimated amount of contributions expected to be paid into the AGPS during the year ended 31 March 2015 is £2.4m (2014: £1.6m).

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%).

19. Pension schemes (continued)

Movement in the present value of the scheme obligations	2014	2013
	£'000	£'000
At 1 April	161,779	145,535
Interest on pension scheme liabilities	6,916	6,733
Actuarial (gain)/loss	(1,790)	14,135
Benefits paid from plan	(5,585)	(4,624)
At 31 March	161,320	161,779

Movement in the present value of the scheme assets	2014	2013
	£'000	£'000
At 1 April	141,992	128,536
Expected return on scheme assets	8,212	7,858
Actuarial (loss)/gain	(8,087)	9,219
Contributions from employers	2,363	1,003
Benefits paid from plan	(5,585)	(4,624)
At 31 March	138,895	141,992

Analysis of the amount credited to interest receivable and similar income	2014	2013
	£'000	£'000
Interest on pension scheme liabilities	(6,916)	(6,733)
Expected return on pension scheme assets	8,212	7,858
Net income	1,296	1,125

Analysis of amount recognised in statement of total recognised gains and losses	2014	2013
	£'000	£'000
Actual return less expected return on pension scheme assets	(8,087)	9,219
Changes in assumptions used to value the scheme	(52)	-
Experience gains and losses arising on the scheme liabilities	1,842	(14,135)
Actuarial loss	(6,297)	(4,916)

20. 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.

21. 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.

22. 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	England and Wales	100
Hyder Consulting Overseas 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
SR ³ C Limited	England and Wales	100

Joint ventures

Name	Country of incorporation, registration and operation	Proportion %
McCarthy Hyder Consultants Ltd – in liquidation	Ireland	50
JacksonHyder Limited	England and Wales	50

23. 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. Hyder Consulting PLC is the only company to consolidate these financial statements and are available from: The Company Secretary, Manning House, 22 Carlisle Place, London, SW1P 1JA.
