FAITHFUL+GOULD LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

COMPANY REGISTRATION NUMBER 2236832

FAITHFUL+GOULD LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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FAITHFUL+GOULD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

Business review and future developments

Nature of the business

Faithful+Gould Limited (the Company) operates in transport, property and industrial sectors and is one of the world's largest project and cost consultants. The Company has a diverse external client portfolio and supplies services to third party customers and other members of the group of companies headed by WS Atkins plc (the Group).

The Company has entered into an arrangement to transfer the collection of its debt, and responsibility for paying its creditors to Atkins Limited in respect of the UK and to Faithful+Gould Pte Limited in respect of the United Arab Emirates. UK trade receivable and trade payable balances have been transferred to Atkins Limited in exchange for an intercompany balance. In relation to the Dubai branch, trade receivables and trade payables remain in the Company's balance sheet. The Company bears the risk of non-payment of its debt by the external party. Atkins Limited and Faithful+Gould Pte Limited are indirect wholly owned subsidiaries of WS Atkins plc. The Company's branches in Greece, France, Malta, Oman and Switzerland are responsible for the collection of their own debt and payment of their own creditors.

Objectives of the business and future developments

The Company's primary objective is to deliver sustainable growth in shareholder value. This requires long term earnings growth, maintaining good margins and minimising working capital. Our strategy is to meet the needs of our clients by providing an integrated project and programme management service which draws our varied consultancy services and geographic locations to provide a more holistic solution.

The business has performed well with continued signs of recovery in the UK market and with growth in both the UK and the Middle East. The Scape Asset Management Surveying and Design Services public sector framework has provided a steady stream of work, particularly in the education sector. Workload in the London and South East commercial property sector has increased as the market improves and our market position in the nuclear sector continues to grow. The Middle East has benefited from growth in the Dubai property sector.

The outlook remains positive with workload improved in the year and the business is well placed for 2015/16.

Principal risks and uncertainties

We continue to manage a number of potential risks and uncertainties which could have a material impact on our strategic and operational objectives. Many of these risks are common to other companies and we assess them regularly to establish the principal risks for the Company. We continue to assess these risks under two main categories of strategic risk and operational risk. Effective risk management continues to be embedded in our governance framework, which is summarised in the Corporate governance report and the Strategic reports sections of the WS Atkins plc consolidated financial statements for the year ended 31 March 2015.

Results and dividends

Revenue

Revenue for the year of £141.6m was £12.3m higher than the prior year. This reflected increased work through the Scape framework and in the energy sector. Average headcount increased by 56 in the year, with closing headcount up by 61 on 31 March 2014.

Operating profit

Operating profit of £9.1m represents a £0.1m increase on the prior year. This reflects significant turnover growth, with the Company's operating margin down slightly year on year.

Profit after tax

Profit after tax for the year of £8.5m (2014: £8.0m) is shown in the statement of comprehensive income on page 9.

FAITHFUL+GOULD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

Results and dividends (continued)

Cash

In the UK funds are held by either the Company or Atkins Limited and in the United Arab Emirates all funds are held by Faithful+Gould Pte Limited. The Company's branches in Greece, France, Oman and Switzerland hold their own bank accounts and the funds of the Malta branch are held in the UK.

Net funds as at 31 March 2015 were £1.9m (2014: £3.9m). Cash used in operating activities was £1.9m (2014: generated from operating activities £2.5m) representing 20% of operating profit (2014: 28%).

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2015 (2014: £nil).

Key performance indicators

Management uses a range of performance measures to monitor and manage the business. Certain of these are particularly important in the generation of shareholder value and are considered key performance indicators (KPIs).

Our KPIs measure past performance and also provide information to allow us to manage the business into the future. Revenue and operating profit indicate the volume of work we have done and its profitability; staff numbers show us how effective we have been in recruiting and retaining our key resource. KPIs for the year ended 31 March 2015 are shown in the table below, along with prior year comparatives.

	2015	2014	**Change in year**
Financial metrics			
Revenue	**£141.6m**	£129.3m	+9.5%
Operating profit	**£9.1m**	£9.0m	+1.7%
Operating margin	**6.4%**	6.9%	-0.5%
People			
Average staff numbers	**1,158**	1,102	+56
Staff at 31 March[(1)]	**1,202**	1,141	+61

(1) Staff numbers are shown on a full time equivalent basis.

Corporate sustainability

The Company is committed to acting responsibly towards all our stakeholders and the Group is committed to taking a leadership position within our sector. The Group's corporate responsibility strategy and performance is published on its website at www.atkinsglobal.com/corporate-responsibility. A summary of the year's activities is included in the WS Atkins plc consolidated financial statements for the year ended 31 March 2015, which is publicly available on the Group website at www.atkinsglobal.com/investors.

Approved by the board of directors and signed on its behalf by:

Helen Baker
Company Secretary
8 September 2015

FAITHFUL+GOULD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their annual report on the affairs of Faithful+Gould Limited (the Company), together with the Financial Statements and the independent auditors' report, for the year ended 31 March 2015.

The directors of a company are required to prepare a strategic report about that company for each financial year, designed to inform shareholders and help them assess how the directors have performed their duty to promote the success of the Company. Additionally the directors are required to prepare a directors' report containing certain disclosures, some of which may be included in the Strategic Report if they are considered to be of strategic importance. The following information has been included in the Strategic Report and is incorporated into this report by reference:

- review of the performance and future development of the Company;
- principal risks and uncertainties; and
- the amount (if any) that the directors recommend by way of a dividend.

The Company is domiciled in England and Wales and is a private limited company.

The Company operates in the Middle East through its branches in the United Arab Emirates and Oman. The Company also operates in Europe through branches in Greece, Malta, France and Switzerland. The Company has a subsidiary in the Kingdom of Saudi Arabia.

Financial instruments
Details on the use of financial instruments and the management of financial risk are included in note 2 of these Financial Statements.

Treasury policies and objectives
WS Atkins plc's (the ultimate parent company of Faithful+Gould Limited) group treasury function (Group Treasury) manages and monitors external funding and investment requirements and financial risks in support of the Group's corporate objectives. Details of the policies and procedures are set out in the WS Atkins plc's consolidated financial statements for the year ended 31 March 2015. Details of the Company's financial risks and management policies are in note 2 of the Financial Statements.

Critical accounting policies
The Company's principal accounting policies are described in note 1 to the Financial Statements. The Financial Statements for the year ended 31 March 2015 have been prepared under International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

FAITHFUL+GOULD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

Directors
The directors who served during the year and up to the date of signing these Financial Statements were as follows:

Name	Appointed	Resigned
Breen, Peter Anthony Desmond		
Brooks, Adam		
Clemson, Neil William		
Constable, Andrew Stephen		
Cullens, James	1 July 2014	
Drewett, Heath Stewart		
Gould, John Alexander		
Gray, Nicholas Kenneth		
Green, Andrew Clifford		
Griffiths, Alun Hughes		30 July 2014
Hartley, Timothy		31 March 2015
Lawson, Donald Arthur		
Sealy, Jonathan Mark		
Sowerby, Mark Andrew		
Wood, John		

Indemnification of and insurance cover for directors and officers
Directors and officers of the Company benefit from directors' and officers' liability insurance cover in respect of legal actions brought against them. In addition, directors of the Company are indemnified by a third party qualifying indemnity in accordance with the Company's articles of association to the maximum extent permitted by law. These indemnities were in force during the financial year and remain in force at the date of the signing of these Financial Statements. Neither the insurance nor the indemnities provide cover where the relevant director or officer has acted fraudulently or dishonestly.

Directors' remuneration
Directors' remuneration has been disclosed in note 5 of the Financial Statements.

Employees
Engagement
Ensuring our people feel valued and motivated at work underpins our ethos and supports our strategy for growth. We know there is always room for improvement, therefore, we ask our people what they think and then involve them in our plans for change.

Every year we ask our people to participate in our Viewpoint employee engagement survey. The survey comprises a series of strategically important themed questions, aligned to a pre-defined engagement model. This model measures our people's relationship with management, and how they feel about their jobs and the Company. Group results are communicated both locally and via our Group wide intranet, with presentations of results arranged by business locally.

Day to day, the Group maintains regular communication with our employees through a range of digital media, with content relating to Group client wins, project successes, thought leadership and stories about our people all available on our Group wide intranet. The Group supplements online channels with face to face town hall meetings and line manger team briefings. To coincide with the announcement of the Group's financial results, we provide updates on the Group's performance via webinar for all colleagues.

Our senior leadership teams hold meetings and open discussions to give employees the opportunity to ask questions about our strategy and future plans. The Group also uses webinars and 'all hands calls' to engage with our people and give them the chance to participate and ask questions directly. Another popular communication channel is the Group's CEO blogs, through which the Company CEO shares informal thoughts, images and updates.

FAITHFUL+GOULD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

Employees (continued)

Diversity

We are committed to building a diverse organisation to maximise the skills available to us in the regions in which we operate. Policies have been adopted to ensure this commitment is implemented from the point of attraction and recruitment and continues throughout an individual's employment. Our people are supported to develop to their full potential regardless of sex, race, age, religion or belief, disability, sexual orientation, gender identity, marriage and civil partner status, pregnancy, parental obligations or background, subject to the laws of the jurisdictions in which we work.

The Group encourages recruitment, training, career development and promotion on the basis of aptitude and ability, without regard to disability. It is also committed to retaining and retraining, as necessary, employees who become disabled during the course of their employment.

Reward

Employee share ownership is encouraged across the Group to align the interests of our employees and our shareholders and enable our employees to share in the success of the Group. In the UK, the Group operates a share incentive plan (SIP) that provides a tax-efficient mechanism for employees to become shareholders. Approximately 11.4% of eligible employees in the Group participate in the SIP.

Political donations

The Company made no political donations and incurred no political expenditure during the year ended 31 March 2015 (2014: £nil).

Share capital

Full details of the Company's issued share capital, including changes during the year, can be found in note 17 of these Financial Statements.

Directors' statement of responsibility

The directors are responsible for preparing the Directors' and Strategic Reports 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 Company's Financial Statements in accordance with IFRSs as adopted by the EU. In preparing these Financial Statements, the directors have also elected to comply with IFRSs issued by the International Accounting Standards Board (IASB). 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU and IFRSs as issued by the IASB, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

FAITHFUL+GOULD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

Directors' statement of responsibility (continued)
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 that enable them to ensure that the Directors' and Strategic Reports and Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors, whose names are listed in this Annual Report and Financial Statements, confirms that, to the best of his knowledge:

- the Directors' Report contained in the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the Company's Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

The Directors of the Company consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and that they provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Disclosure of audit information
The directors confirm that, as at the date this report was approved, so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern
The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the Financial Statements.

Approved by the board of directors and signed on its behalf by:

Helen Baker
Company Secretary
8 September 2015

Registered office:
Woodcote Grove
Ashley Road
Epsom
Surrey KT18 5BW

FAITHFUL+GOULD LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAITHFUL+GOULD LIMITED
FOR THE YEAR ENDED 31 MARCH 2015

Report on the financial statements
Our opinion
In our opinion, Faithful+Gould Limited's Financial Statements (the "Financial Statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with the IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
The Financial Statements comprise:

- the balance sheet as at 31 March 2015;
- the statement of comprehensive income for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and IFRSs as adopted by the European Union.

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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, the information given in the Strategic Report and 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.

FAITHFUL+GOULD LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAITHFUL+GOULD LIMITED
FOR THE YEAR ENDED 31 MARCH 2015

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Statement of Responsibility on pages 5 and 6, the directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

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

The 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.

What an audit of financial statement involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluation the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all financial and non-financial information in the Financial Statements 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 misstatement or inconsistencies we consider the implications for our report.

Richard Lingwood

Richard Lingwood (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

8 September 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
Revenue		**141,669**	129,332
Cost of sales		**(96,617)**	(85,646)
Gross profit		**45,052**	43,686
Administrative expenses		**(35,950)**	(34,733)
Operating profit	3	**9,102**	8,953
Finance income	6	**26**	11
Finance costs	6	**(46)**	(339)
Profit before taxation		**9,082**	8,625
Taxation	7	**(586)**	(615)
Profit for the year attributable to owners of the parent		**8,496**	8,010
Foreign currency translation		**821**	(607)
Total comprehensive income		**9,317**	7,403

BALANCE SHEET AS AT 31 MARCH 2015

	Note	2015 £'000	2014 £'000
Assets			
Non-current assets			
Goodwill	9	**2,257**	2,257
Plant and Equipment	10	**5**	28
Investments	11	**61**	61
Deferred tax asset	12	**145**	76
		2,468	2,422
Current assets			
Trade and other receivables	13	**102,088**	87,814
Cash and cash equivalents	14	**1,865**	3,906
		103,953	91,720
Total assets		**106,421**	94,142
Liabilities			
Current liabilities			
Trade and other payables	15	**(29,566)**	(27,116)
Corporation tax payable		**(242)**	(546)
		(29,808)	(27,662)
Net current assets		**74,145**	64,058
Non-current liabilities			
Payables	16	**(5,065)**	(4,228)
Deferred tax liability	12	**(-)**	(21)
Total non-current liabilities		**(5,065)**	(4,249)
Total liabilities		**(34,873)**	(31,911)
Net assets		**71,548**	62,231
Capital and reserves			
Ordinary shares	17	**100**	100
Retained earnings		**71,448**	62,131
Total equity		**71,548**	62,231

These Financial Statements on pages 9 to 29 were approved by the board of directors and are signed on its behalf by:

Heath Drewett
Director
8 September 2015

Company Registration Number: 2236832

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Ordinary Shares	Retained Earnings	Total Equity
	£'000	£'000	£'000
Balance at 1 April 2013	100	54,728	54,828
Profit for the year	-	8,010	8,010
Foreign currency translation	-	(607)	(607)
Total recognised income and expenses for the year	-	7,403	7,403
Balance at 31 March 2014	**100**	**62,131**	**62,231**
Profit for the year	-	8,496	8,496
Foreign currency translation	-	821	821
Total recognised income and expenses for the year	-	9,317	9,317
Balance at 31 March 2015	**100**	**71,448**	**71,548**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash (used in)/generated from operations	21	**(1,857)**	2,526
Purchase of fixed assets		**(5)**	(48)
Corporation tax paid		**(980)**	(633)
Interest received		**26**	11
Interest paid		**(46)**	(339)
Net cash (used in)/ generated from operating activities		**(2,862)**	1,517
Net (decrease)/increase in cash and cash equivalents		**(2,862)**	1,517
Cash and cash equivalents at 1 April		**3,906**	2,996
Effects of exchange rates		**821**	(607)
Cash and cash equivalents at 31 March	14	**1,865**	3,906

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies

The Company is a private limited company incorporated and domiciled in England and Wales and its registered office is Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England.

The principal accounting policies applied in the preparation of the Company's Financial Statements are set out below. These policies have been consistently applied to all the periods presented, including the application of new IFRSs standards and interpretations, unless otherwise stated.

Basis of preparation

The Company's Financial Statements have been prepared in accordance with IFRSs as adopted by the EU, the Companies Act 2006 that applies to companies reporting under IFRS, and IFRS Interpretations Committee standards (IFRS IC) applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements, are disclosed under critical accounting policies and are incorporated by reference on pages 46 and 47 of the Business Review of the WS Atkins plc consolidated financial statements for the year ended 31 March 2015 as well as in the Directors' Report of the Company.

Changes in accounting policy and disclosure

(a) New and amended standards adopted by the Company

- IFRS 10, *Consolidated financial statements*
- IFRS 11, *Joint arrangements*
- IFRS 12, *Disclosures of interests in other entities*
- IFRIC 21, *Levies*
- Amendments to the following standards:
  - IFRS 10, IFRS 12 and IAS 27: *Investment Entities*
  - IAS 32, *Offsetting financial assets and financial liabilities*
  - IAS 36, *Recoverable amount disclosures for non-financial assets*
  - IAS 39, *Novation of derivatives and continuation of hedge accounting*

(b) New standards and interpretations not yet adopted by the Company

- IFRS 9, *Financial instruments*
- IFRS 14, *Regulatory deferral accounts*
- IFRS 15, *Revenue from contracts with customers*
- Amendments to the following standards:
  - IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associate or joint venture*
  - IFRS 10, IFRS 12 and IAS 28: *Investment entities, Applying the consolidation exemption*
  - IFRS 11, *Accounting for acquisitions of interests in a joint operation*
  - IAS 1, *Disclosure initiative*
  - IAS 16 and IAS 38: *Clarification of acceptable methods of depreciation and amortisation*
  - IAS 16 and IAS 41: *Agricultural: Bearer plants*
  - IAS 19, *Defined benefit plans: Employee contributions*
  - IAS 27, *Equity method in separate financial statements*

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies (continued)

Basis of consolidation
The Company is an indirect wholly-owned subsidiary of WS Atkins plc and is included in its consolidated financial statements which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under section 400 of the Companies Act 2006.

Critical accounting policies
The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Material estimates applied across the Company are reviewed to a common standard and adjusted where appropriate to ensure that consistent treatment of similar and related issues that require judgement is achieved. Any revisions to estimates are recognised prospectively. The accounting policies and areas that require the most significant estimates and judgements to be used in the preparation of the financial statements are in relation to contract accounting and goodwill impairment.

Contract accounting
The Company's contract accounting policy is central to how the Company values the work it has carried out in each financial year. The policy requires forecasts to be made on the projected outcome of projects. These forecasts require assessments and judgements to be made on changes in work scopes, changes in costs and costs to completion, for example. While the assumptions made are based on professional judgements, subsequent events may mean that calculated estimates prove to be inaccurate, with a consequent effect on the reported results.

Goodwill impairment
Goodwill is subject to impairment review both annually and when there are indications that the carrying value may not be recoverable. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs to sell.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a cash generating unit (CGU). Each CGU to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

Determining whether goodwill is impaired requires an estimation of the value in use in of CGUs to which the goodwill has been allocated. The value in use calculation requires an estimate to be made of the timing and amount of future cash flows expected to arise from the CGU and the application of a suitable discount rate to calculate the present value. The discount rates are based on the Group's weighted average cost of capital adjusted to reflect the specific economic environment of the relevant CGU.

Foreign currency transactions and translation
Functional and presentational currency
Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates. The Financial Statements are presented in pounds sterling (£), which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the comprehensive income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. **Accounting policies (continued)**

Foreign currency transactions and translation (continued)
Branches
The results and financial position of the Company's branches (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in the comprehensive income statement.

Revenue
Revenue from long-term contracts comprises the value of work performed during the period calculated in accordance with the Company's policy for contract accounting set out below. Revenue from other contract activities represents fee income receivable in respect of services provided during the period.

Revenue recognition *and contract accounting*
The value of contract work in progress comprises the costs incurred on contracts plus an appropriate proportion of overheads and attributable profit. Fees invoiced on account are deducted from the value of work in progress and the balance is separately disclosed in trade and other receivables as amounts recoverable on contracts, unless such fees exceed the value of the work in progress on any contract when the excess is separately disclosed in payables as fees invoiced in advance.

In some cases, a margin provision is then made, depending on how far progressed each project is and the risk profile of the project. Where contracts span two or more accounting periods, profit is not generally recognised until the project is 50% complete. In addition, provision is made in full for estimated losses and, where the outcome of a contract cannot be reasonably foreseen, profit is taken on completion.

Revenue is recognised on the majority of the Company's contracts on a percentage completion basis when the outcome of a contract or project can be reasonably foreseen. Under the percentage completion method, the percentage of the total forecast revenue reported at any point in time is calculated based upon the proportion of total costs incurred to date as a percentage of total forecast costs.

Pre-contract costs
The Company accounts for all pre-contract costs in accordance with IAS 11, *Construction contracts*. Costs incurred before it becomes probable that a contract will be obtained are charged to expenses. Directly attributable costs incurred after that point are recognised in the balance sheet and charged to the income statement over the duration of the contract.

Retirement benefit schemes
The Company operates a defined contribution scheme. A defined contribution scheme is a pension plan under which the Company pays fixed contributions into separately administered funds. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

The Company accounts for pensions in accordance with IAS 19, *Employee benefits*. The cost of the defined contribution scheme is charged to operating profit as incurred.

Share-based payments
Key employees of the Company participate in a number of share incentive plans involving awards settled in equity of the ultimate holding company, WS Atkins plc, or, in limited circumstances, in cash. These awards are administered on behalf of the Group by a fellow subsidiary undertaking which recharges the costs of awards that relate to other participating companies. Full details of share-based payments are disclosed in notes of the WS Atkins plc consolidated financial statements for the year ended 31 March 2015.

1. **Accounting policies (continued)**

Share-based payments (continued)
WS Atkins plc reports on the schemes in accordance with IFRS 2, *Share-based payments*. The cost of share-based payments is charged to the Group's income statement over the performance and vesting periods of the instruments. The cost is based on the fair value of the awards made at the date of grant adjusted for the number of awards expected to vest. The credits associated with the amounts charged to the income statement are included in the Group's retained earnings/deficit until the awards are exercised. Where awards are settled by new issue shares any proceeds received in respect of share options are credited to the Group's share capital and share premium. Where awards are settled in shares held by the Employee Benefit Trusts ("EBTs") any proceeds are credited to the Group's retained earnings/deficit.

Income tax
Current and deferred income tax are recognised in the income statement for the period except where the taxation arises as a result of a transaction or event that is recognised directly in equity. Income tax arising on transactions or events recognised directly in equity is charged or credited directly to equity.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its branches operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

No deferred tax is recognised on the unremitted earnings of overseas branches, except where it is known that the earnings will be distributed.

Intangible assets
Goodwill
Goodwill arises on the acquisition of a business and represents the excess of the fair value of the consideration given for a business over the Company's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is stated at cost less accumulated impairment. Prior to 1 April 2004, goodwill was amortised over its estimated useful economic life. Amortisation ceased on 1 April 2004 and the carrying value of existing goodwill was frozen at that date and is subject to impairment reviews.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. **Accounting policies (continued)**

Intangible assets (continued)
Goodwill (continued)
Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value is compared to the recoverable amount. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Goodwill that arose prior to 1 April 1997 was written off to retained earnings. Profit or loss on disposal of the underlying businesses to which the goodwill related will not include goodwill previously recorded as a deduction from equity.

Plant and Equipment
Plant and equipment is carried at cost less accumulated depreciation and impairment. Cost comprises purchase price after discounts and rebates plus all directly attributable costs of bringing the asset to working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight line method to write off the cost less residual value of each asset over its estimated useful life of between 3 to 12 years.

The assets' useful lives are reviewed, adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

Investments
Investments in subsidiaries are stated at cost less impairments.

Financial instruments
All of the Company's financial assets are receivables. All of the Company's financial assets and liabilities are initially measured at fair value and subsequently measured at amortised cost.

Trade receivables
UK trade receivables are held by a representative of the Company, Atkins Limited; trade receivables of the Company's branches are held by the Company. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairments. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. **Accounting policies (continued)**

Cash and cash equivalents
Cash and cash equivalents represent amounts held as petty cash and cash in the bank account of the Company's branches in Greece, France, Switzerland Malta and Oman. UK funds are held by the Company and Atkins Limited and in the United Arab Emirates all funds are held by Faithful+Gould Pte Limited.

Operating leases
Where the Company acts as a lessee in an operating lease agreement, the lease payments are charged as an expense to the income statement on a straight-line basis over the lease term. Lease incentives provided are also recognised over the lease term on a straight-line basis.

Trade payables
Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). UK trade payables are held by a representative of the Company, Atkins Limited; all branch trade payables are held by the Company. Trade payables are recognised at original invoice amount.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions for other liabilities and charges
Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2. **Financial risk management**

Financial risk factors
The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk.

Risk management is carried out by Group Treasury under policies approved by the WS Atkins plc board of directors (the Board). Group Treasury identifies, evaluates and hedges financial risk in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

These policies are further described within the 'Treasury policy and objectives' section of the Financial Performance Review section of the WS Atkins plc consolidated financial statements for the year ended 31 March 2015.

(a) Market risk
Foreign exchange risk arises from the small proportion of commercial transactions undertaken in currencies other than the local functional currency and from financial assets and liabilities denominated in currencies other than the local functional currency.

Group policy is for the Company to undertake commercial transactions in its own functional currency whenever possible. When this is not possible, the Group manages its foreign exchange risk from future commercial transactions using appropriate derivative contracts arranged via Group Treasury. Cash flows are reviewed on a monthly basis throughout the duration of future projects and the future cover amended as appropriate.

2. **Financial risk management (continued)**

Financial risk factors (continued)
(a) Market risk (continued)
Trade receivables and payables denominated in currencies other than the local functional currency arise from commercial transactions and are therefore largely hedged as part of the process described above. Remaining financial assets and liabilities denominated in currencies other than the local functional currency are unhedged.

The Company does not have any equity securities in its balance sheet and is not materially exposed to commodity price risk. Certain longer term project and framework contracts include indexation clauses that are applied to unit rates to offset the effect of inflation on input costs over the duration of the agreement. The Company is exposed to price risk to the extent that inflation differs from the index used and forecast project outcomes that form the basis of revenue recognition include an estimate of risk where it is present.

(b) Credit risk
Credit risk is the risk that the Company will suffer financial loss as a result of counterparties defaulting on their contractual obligations. The risk arises on trade and other receivables, with the maximum exposure to risk equivalent to 100% of the carrying value disclosed in the Company's balance sheet at 31 March. The Company does not hold any collateral as security. The Company's policy is that cash and investments should not be concentrated with any one counterparty.

For trade and other receivables, an assessment of credit quality of the customer is made where appropriate using a combination of external rating agencies, past experience and other factors. In circumstances where credit information is unavailable or poor, the risk is mitigated by use of advance payments and, by exception, through credit risk insurance. Company policy is not to apply individual credit limits, although exposure and payment performance are monitored closely both at individual project and client level, with a series of escalating debt recovery actions taken where necessary. The Company's customer base is broad and dispersed; there are no concentrations of credit risk that would cause concern.

(c) Liquidity risk
The Company funds its activities through intercompany balances. All Company income is received and all Company expenditure is met by the Group. The Group's banking facilities include cash facilities and bank guarantees.

2015	Over 1 year £'000	Carrying value £'000
Amounts owed to group undertakings	3,455	3,455
2014		
Amounts owed to group undertakings	3,455	3,455

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. **Financial risk management (continued)**

Financial risk factors (continued)
(d) Concentrations of financial instruments
The carrying amounts of the Company's financial assets and liabilities, excluding derivative financial instruments, were denominated in the following currencies.

	Financial assets 2015 £'000	**Financial liabilities 2015 £'000**	Financial assets 2014 £'000	Financial liabilities 2014 £'000
Sterling	**80,681**	**3,817**	71,549	3,814
Euro	**437**	**165**	260	104
Swiss Franc	**121**	**490**	-	-
United Arab Emirates Dirham	**7,019**	**6**	7,140	114
Kuwaiti Dinar	**1,288**	**87**	331	1,017
Omani Rial	**3,242**	**117**	1,631	24
Total	**92,788**	**4,682**	80,911	5,073

Capital risk management

As part of the Group, the Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

3. **Operating profit – analysis of costs by nature**

	2015 £'000	2014 £'000
Operating profit is stated after charging/(crediting):		
Employee benefit costs (note 4)	**70,739**	64,858
Impairment of trade receivables (note 13)		
- increase in provisions	**343**	306
- release of provisions	**(385)**	(328)
Depreciation of plant & equipment	**8**	20
Audit fee	**30**	28
Payments under operating leases – vehicles and plant	**2,745**	2,750

4. **Employee benefit costs**

The monthly average number of staff (including directors) employed by the Company during the financial year split by activity amounted to:

	2015 Number	2014 Number
Administration and management	**126**	120
Technical	**1,032**	982
	1,158	1,102

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

4. Employee benefit costs (continued)

The employee benefit costs of the above were:

	2015 £'000	2014 £'000
Wages and salaries	**61,412**	55,591
Share based payments (note 18)	**711**	813
Social security costs	**5,209**	5,255
Other pension costs (note 20)	**3,407**	3,199
	70,739	64,858

2015 costs include redundancy costs of £155,732 (2014: £248,121).

5. Directors' remuneration

The directors' aggregate emoluments in respect of their qualifying services were:

	2015 £'000	2014 £'000
Aggregate emoluments	**1,973**	2,590
Pension scheme contributions	**219**	356
Aggregate amounts receivable under share schemes	**414**	549
	2,606	3,495

Emoluments of the highest paid director:

	2015 £'000	2014 £'000
Emoluments receivable	**470**	428

During the year, 11 directors received contributions to a money purchase scheme (2014: 19). 10 of the directors exercised share options during the year (2014: 19), including the highest paid director.

The directors' emoluments, including pension contributions of £218,749 (2014: £356,006) paid by the Company, were £2,605,770 (2014: £3,495,062). The emoluments, excluding pension contributions, for the highest paid director were £428,282 (2014: £386,680) and pension contributions for that director were £41,681 (2014: £41,496).

Heath Drewett and James Cullens are directors and Alun Griffiths was a director of WS Atkins plc, the Company's ultimate parent company during the year. Heath Drewett, James Cullens and John Gould are directors and Alun Griffiths was also a director of a number of other subsidiary companies in the Group. The services provided by these directors to this Company and to a number of other subsidiaries of the Group are of a non-executive nature.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

5. Directors' remuneration (continued)

None of the directors mentioned above received any emoluments in respect of their qualifying services to the Company during the year (2014: none). The emoluments and key management compensation of these directors are borne by fellow Group company, Atkins Limited, and recharged to the Company as part of a management charge. This management charge, which in 2015 amounted to £2,930,986 (2014: £1,772,000), also includes a recharge of administration costs borne by the Group companies on behalf of the entity and it is not possible to identify separately the amount of each of the directors' compensation within this management charge.

All other directors were remunerated in full by the Company.

6. Finance income and costs

Finance income	**2015**	2014
	£'000	£'000
Loan interest on intercompany loans	**24**	11
Other	**2**	-
	26	11

Finance costs	**2015**	2014
	£'000	£'000
Loan interest on intercompany borrowing	**4**	36
Reverse loan interest income on intercompany loans for previous years	-	316
Other	**42**	(13)
	46	339

7. Income Tax expense

a) Analysis of charge in the year

	2015	2014
	£'000	£'000
Current income tax		
- current year	**700**	759
- adjustment in respect of prior years	**(24)**	(44)
Deferred income tax (see note 12)		
- origination and reversal of temporary differences	**(72)**	(97)
- adjustment in respect of prior years	**(18)**	(10)
- effects of changes in tax rates	-	7
Income tax charged to income statement	**586**	615
Profit before tax per income statement	**9,082**	8,625
Effective tax rate	**6.4%**	7.1%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. Income tax expense (continued)

b) The income tax rate for the year is lower (2014: lower) than the standard rate of corporation tax in the UK (21%) (2014: 23%). The differences are explained below:

	2015	2014
	%	%
UK Statutory tax rate	**21.0**	23.0
Decrease resulting from:		
Tax attributable to overseas earnings	**1.6**	3.4
Expenses/(Non taxable income) not deductible for tax purposes	**3.1**	(1.5)
Losses claimed for nil consideration	**(18.8)**	(17.3)
Adjustments in respect of prior years	**(0.5)**	(0.6)
Effect in changes in tax rates	**-**	0.1
Effective tax rate	**6.4**	7.1

8. *Dividends*

There were no dividends either paid or proposed for the year (2014: £nil).

9. Goodwill

	2015	2014
	£'000	£'000
Cost and net book value at 1 April and 31 March	**2,257**	2,257

Goodwill is not amortised but is tested for impairment in accordance with IAS 36, *Impairment of assets,* at least annually. The goodwill is considered to relate to two CGUs.

The recoverable amount of goodwill for the CGU has been based on a value in use as represented by the net present value of future cash flows. Cash flows are projected for five years based on approved budgets and plans, beyond which they are inflated by a GDP-based growth factor. They are then discounted using a pre-tax discount rate based on a nominal weighted average cost of capital. The pre-tax discount rates used were between 8.9% and 16.0% per annum which has been applied to each CGU based on its risk profile.

The key assumptions used for each CGU is as follows:

	2015	2014
5-year growth rate	**1.9%-3.8%**	1.7%-5.4%
Post 5-year growth rate	**1.8%-3.8%**	1.8%-5.3%
Pre-tax discount rate	**8.9%-16.0%**	6.7%-17.9%

As at 31 March 2015, and 31 March 2014, based on these internal valuations, the recoverable value of goodwill required no impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

10. *Plant and Equipment*

	2015 £'000	2014 £'000
Cost at 1 April	48	-
Additions	5	48
Disposals	(48)	-
Cost at 31 March	5	48
Accumulated depreciation at 1 April	20	-
Charge for year	8	20
Disposals	(28)	-
Accumulated depreciation at 31 March	-	20
Net book value at 31 March	5	28

The depreciation charge for the year of £8k (2014: £20k) is included in administrative expenses in the statement of comprehensive income.

11. Investments

	2015 £'000	2014 £'000
Opening net book value	61	61
Impairment	-	-
Closing net book value	61	61

Subsidiary undertakings
The following company was the only subsidiary undertaking as at 31 March 2015:

Subsidiary undertaking	Registered office/ Principal place of business	Class and percentage of shares held
Faithful+Gould Saudi Arabia Limited	7th Floor, South Tower, King Faisal Foundation, King Fahd Road, PO Box 56684, Riyadh 11584, Saudi Arabia	90% Ordinary shares

The balance of the shares is held by WS Atkins International Limited.
Faithful+Gould Saudi Arabia Limited operates in the country of registration and the percentage of the issued share capital held by the Company is equivalent to the percentage of voting rights held.

Joint ventures

Joint ventures	Registered office/ Principal place of business	Class and percentage of shares held
Partnering Plus Limited	2 Hudson Quay, Windward Way, Middlesbrough, TS2 1QG	33.333% Ordinary B shares

12. Deferred income tax assets

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and there is a legally enforceable right to settle tax assets and liabilities on a net basis. The offset amounts are as follows:

	2015	2014
	£'000	£'000
Deferred tax assets:		
- deferred tax assets to be recovered after more than 12 months	**17**	11
- deferred tax assets to be recovered within 12 months	**128**	65
	145	76
Deferred tax liabilities:		
- deferred tax liabilities payable within 12 months	**-**	(21)
	145	55

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

a) Net deferred tax assets

	2015	2014
	£'000	£'000
Accelerated depreciation	**14**	14
Other temporary differences	**131**	41
Total deferred income tax	**145**	55

b) Analysis of movements during the year

	2015	2014
	£'000	£'000
Deferred tax assets/(liabilities) at 1 April	**55**	(45)
Deferred tax credited to the income statement (note 7)	**90**	100
Deferred tax assets at 31 March	**145**	55

The Finance Act 2013 enacted a reduction to the main rate of UK corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015. As the Finance Act 2013 had been enacted as at the balance sheet date, the impact of these reductions has been reflected in the movements in deferred tax as at 31 March 2015 and 31 March 2014 respectively.

Further reductions to the main UK Corporation tax rate are proposed to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020 however these later reductions had not been substantively enacted at the balance sheet date and, therefore, have not been included in these Financial Statements.

The overall effect of these changes if applied to the deferred tax balance as at 31 March 2015 would be to reduce the deferred tax asset by approximately £14k (being £7k recognised in 2018 and £7k recognised in 2021).

13. Trade and other receivables

	2015	2014
	£'000	£'000
Trade receivables	3,367	2,370
Less provision for impairment of receivables	(393)	(413)
Trade receivables net	2,974	1,957
Amounts recoverable on contracts	8,995	6,250
Amounts owed by group undertakings	89,814	78,954
Prepayments and accrued income	305	653
	102,088	87,814

UK trade receivables are held by a representative of the Company, Atkins Limited, and are included in Amounts owed by group undertakings. The trade receivables of the branches are held by the Company. These are held at cost and this approximates to the fair value. The Company bears the risk of non payment of trade receivables by the external party. The cost of uncollectable trade receivables and the provisions for impairment are charged to the Company.

At 31 March 2015 £12.3m (2014: £11.5m) of trade receivables were within normal payment terms and considered to be fully performing. A further £8.8m (2014: £7.3m) were past due date and aged up to six months from invoice date. They were not impaired as they relate to customers for whom there is no recent history of default. Trade receivables aged beyond six months of invoice date totalled £0.5m (2014: £1.1m) and carried a provision for impairment of £0.4m (2014: £0.4m).

Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment.

Movements in the Company provision for impairment of trade receivables were as follows:

	2015	2014
	£'000	£'000
Provision for impairment at 1 April	(413)	(462)
Increase in provisions	(343)	(306)
Release of provisions	385	328
Difference on exchange	(22)	27
Provision for impairment at 31 March	(393)	(413)

The creation and release of the provision has been included within revenue in the income statement.

14. Cash and cash equivalents

	2015	2014
	£'000	£'000
Cash at bank	1,853	3,902
Cash in hand	12	4
Cash and cash equivalents	1,865	3,906

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

15. Trade and other payables

	2015 £'000	2014 £'000
Trade payables	**294**	1,024
Fees invoiced in advance	**17,894**	16,956
Amounts owed to group undertakings	**933**	316
Social security and other taxation	**529**	466
Accruals and deferred income	**9,916**	8,354
	29,566	27,116

UK trade payables are held by a representative of the Company, Atkins Limited. These are held at cost and this approximates to the fair value.

Amounts owed to Group undertakings are unsecured, interest free and have no fixed date of repayment. These are held at cost and this approximates to the fair value.

16. Non-current liabilities - payables

	2015 £'000	2014 £'000
Amounts owed to group undertakings	**3,455**	3,455
Non current accruals	**1,610**	773
	5,065	4,228

Amounts owed to Group undertakings are unsecured, interest free and have no fixed date of repayment. These are held at cost and this approximates to the fair value.

17. Ordinary shares

	2015 Number of shares	2015 £'000	2014 Number of shares	2014 £'000
Issued and fully paid ordinary shares of £1 each				
At 1 April	100,000	100	100,000	100
At 31 March	**100,000**	**100**	**100,000**	**100**

18. Share-based payments

Key employees of the Company participate in a number of share incentive plans involving awards settled in equity of the ultimate holding company, WS Atkins plc, or in limited circumstances, in cash. These awards are administered on behalf of the Group by a fellow subsidiary undertaking which recharges the costs of awards that relate to other participating companies. Full details of share-based payments are disclosed in note 32 of the WS Atkins plc consolidated financial statements for the year ended 31 March 2015.

Costs amounting to £711,169 have been charged to the Company during the year in respect of these recharges (2014: £813,133).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

19. Operating lease arrangements

	2015	2014
	Vehicles, plant and equipment	Vehicles, plant and equipment
	£'000	£'000
Future aggregate minimum lease payments under non-cancellable operating leases expiring:		
Within one year	**2,203**	2,195
Later than one year but less than five years	**2,778**	2,184
	4,981	4,379

Commitments under operating leases in respect of office space occupied as a tenant of Atkins Limited are declared in the financial statements of Atkins Limited.

20. Pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £3,406,585 (2014: £3,198,556).

21. Cash generated from operations

	2015	2014
	£'000	£'000
Profit before income tax	**9,082**	8,625
Adjustments for:		
Finance income	**(26)**	(11)
Finance cost	**46**	339
Deprecation – plant and equipment	**8**	20
Loss on disposal of fixed assets	**20**	-
Movement in deferred tax	**-**	(100)
Movement in trade and other receivables	**(14,274)**	(7,934)
Movement in trade and other payables	**3,287**	1,587
Cash (used in)/generated from operations	**(1,857)**	2,526

22. Contingent liabilities

On 30 January 2015 the Group amended and extended its five year revolving credit facility (RCF). This facility matures in January 2020 and replaces the previous facility which was due to mature in October 2018. The Company is a guarantor/obligor at 31 March 2015 in respect of this facility. As at 31 March 2015 the Company was also a guarantor/obligor on the Group's $75m US private placement debt which is due for repayment on 31 May 2019. The Company is jointly and severally liable for any unpaid debts in connection with these facilities.

The Company is included in a Group Registration for Value Added Tax purposes and is, therefore, jointly and severally liable for all other Group undertakings' unpaid debts in this connection.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

22. Contingent liabilities (continued)

The Company has given indemnities in respect of performance and contractual-related bonds. The indemnities, which arose in the ordinary course of business, are not expected to result in any material financial loss. The Company has given a cross guarantee in respect of fellow subsidiaries' overdraft facilities in the ordinary course of business.

23. Related party transactions

	2015	2014
	£'000	£'000
Sale of goods and services to		
- entities with significant influence over the entity	**12,873**	12,089
Purchase of goods and services from		
. - entities with significant influence over the entity	**3,559**	4,381
Receivables from		
- entities with significant influence over the entity	**89,814**	78,954
Payables to		
- WS Atkins plc	**(3,455)**	(3,455)
- entities with significant influence over the entity	**(933)**	(316)

Provision of goods and services to and purchases of goods and services from related parties were made at the rates charged to external customers. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of amounts owed by related parties (2014: £nil).

Details of directors' emoluments are disclosed in note 5 of these Financial Statements.

Details of the Company's subsidiaries are shown in note 11.

24. Ultimate parent company and controlling party

The immediate parent undertaking of the Company is Faithful+Gould (Holdings) Limited, copies of the financial statements for this company are available from the Company Secretary at the address below.

The ultimate parent undertaking and controlling party is WS Atkins plc, a company registered in England and Wales, which is the smallest and largest group to consolidate these Financial Statements. Copies of WS Atkins plc's consolidated financial statements are publicly available at www.atkinsglobal.com/investors or from the Company Secretary at Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW.