



GH A LIVIGUNN LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014



MURRAY SMITH LLP
Chartered Accountants

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FOR THE YEAR ENDED 31 MARCH 2014**

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GHA LIVIGUNN LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2014**

DIRECTORS:

M C Ingram
C W Stockton
S D Tennant
M D Jennings
M Hurst

SECRETARY:

M D Jennings

REGISTERED OFFICE:

Livingston House
Tarvin Road
Frodsham
Cheshire
WA6 6XN

REGISTERED NUMBER:

05661240

AUDITORS:

Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

BANKERS:

NatWest
117 Main Street
Frodsham
Cheshire
WA6 7AG

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

The Directors present their Strategic Report with the consolidated financial statements of the GHA Livigunn Group for the year ended 31st March 2014. The figures reported here reflect the performance of the Group holding company, GHA Livigunn Ltd, and those of its wholly owned subsidiaries Livingston Gunn Projects Ltd, George Hutchison Associates Ltd and Birkett Stevens Colman Partnership Ltd (BSCP).

The optimism of the Directors as the Group embarked upon 2013/14 was well founded and they are pleased to report that the GHA Livigunn Group has performed strongly over the past 12 months, despite the continuing adverse economic conditions within the UK economy.

Turnover for the GHA Livigunn Group for the year ended 31st March 2014 was £9,423,090 compared to £9,733,141 in the previous financial year. Profit on ordinary activities before tax was £856,613 (12 months ended 31st March 2013 £803,976).

In recent years, the performance of one of the wholly owned subsidiaries, BSCP Limited, has been underpinned by that company's strong market position within the still buoyant food retail sector, which has been less affected by the UK economic downturn than other sectors. However, during the year the company suffered from a sudden and dramatic reduction in business from its major client, a leading food retail sector plc. Despite being awarded a significant element of design consultancy work under its new Framework of property development many of these projects were subsequently postponed, thus forcing BSCP Limited to seek alternative sources of turnover and broaden its client base during the year.

Given the challenging circumstances faced by BSCP Limited and the continuation of the difficult prevailing trading conditions caused by the recession, the Directors are delighted with the robust financial performance of the Group in 2013/14.

This has been greatly assisted by the other sectors in which the company operates (Water, Nuclear, Power, Waste, Bioenergy, and Chemical) largely being less affected by the UK economic downturn than the wider construction market and the Directors intend to continue developing the strategy of servicing a diversified portfolio of sectors in the coming years.

The Board plan to continue to make substantial investment in technology, both for communication and service delivery, thereby improving business efficiency and performance by delivering the same high standard of output on a more timely and cost-effective basis for its clients, thus further strengthening market position.

The Group strategy is to continue to support both Client/Operators and Design & Build Contractors as multi-disciplinary Consulting Engineers providing feasibility, option selection and detail design on a number of recycling, alternate energy and sustainable power projects. This reinforces the continued support in numerous Term Framework Contracts within the water, retail and building sectors.

The Board continues to invest in the latest design software and other technology accelerators, as a consequence the Group is one of the leaders in the implementation and development of Building Information Modelling (BIM) with representation on a number of Government-led bodies including the CIC BIM Task group. The Group achieved BIM Level 2 compatibility in 2013, three years ahead of the Government's target date of 2016. The Directors believe that this investment will enable us to provide added value to our clients in terms of asset management and will lead to further opportunities across all the sectors that we currently operate in.

The Directors are pleased to note that a majority of the work we carry out is having a direct impact on reducing our clients' carbon footprint, with the incorporation of renewable energy, lean design techniques and continual design innovation at the forefront.

This approach is recognised externally by our continued success in both being shortlisted for and winning Industry Awards and culminated in being awarded the prestigious title of NCE/ACE SME Consultant of the Year in 2012 having been nominated in 2011 and 2013.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

Our ability to deliver innovative and award winning schemes is also exemplified by the recognition we have received from a number of respected, professional and technical organisations. This year we collected all three awards at the Institute of Civil Engineering (ICE) North West Awards Ceremony including; Large Project of the Year for Lostock Water Treatment Works (WTW), Small Project of the Year for the Quarry Bank Mill Fish Pass and Hydro Electric Scheme and a Community Project Award for the Keswick Flood Alleviation. A further accolade was received from the Association for Consultancy and Engineering (ACE) Engineering Excellence Awards with a top win for Hunterston B Nuclear Power Station in the Building Services category whilst Lostock WTW received a High Commendation in the Utility Infrastructure category. Our work on the Preston 7 Western River Crossing also celebrated triumph with a double win at the United Kingdom Society for Trenchless Technology (UKSTT) Awards by taking both the Innovation and New Installation title and was also Highly Commended at the Ground Engineering (GE) Awards in the category of UK project with a geotechnical value of £1m.

We are extremely proud of the acknowledgement we have received from our peers within the Industry, but also recognise the importance of being both a responsible and sustainable business in all that we do. This year we became an approved signatory of the Prompt Payment Code, demonstrating our commitment to fair trade and best practice within the supply chain, gained accreditation to the CEMARS scheme to highlight our ongoing commitment to Carbon Reduction and received our fourth consecutive RoSPA Gold Award for Occupational Health and Safety.

The Group is highly committed to the wellbeing of its people. Our guiding principle has long been, passionate about people, confident about challenges and we believe it is as a result of this culture that we are able to highlight the substantive array of achievements over the last year, including the prestigious title of Employer of the Year at the 2013 Cheshire Business Awards.

Following the award of Investors in People Gold status in 2013, the business has continued to invest in the continuous improvement of its staff throughout the year and, through the retention and development of a consistent number of high calibre engineers, the Directors are confident that the resource and infrastructure is in place for another successful trading year in 2014/15.

In the opinion of the Directors there are no significant risks or uncertainties impacting upon the company's continued success and potential.

ON BEHALF OF THE BOARD:



M D Jennings - Secretary

9 July 2014

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2014.

DIVIDENDS

Interim dividends of £159,360 were paid during the year.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

M C Ingram
C W Stockton
S D Tennant
M D Jennings
M Hurst

Other changes in directors holding office are as follows:

J B Ireland ceased to be a director after 31 March 2014 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director 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 group's auditors are aware of that information.

GHA LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014**

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M. Jennings', with a stylized flourish at the end.

M D Jennings - Secretary

9 July 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GHA LIVIGUNN LIMITED

We have audited the financial statements of GHA Livigunn Limited for the year ended 31 March 2014 on pages eight to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GHA LIVIGUNN LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Michael Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

9 July 2014

GHA LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
TURNOVER		9,423,090	9,733,141
Cost of sales		<u>5,661,614</u>	<u>5,797,339</u>
GROSS PROFIT		3,761,476	3,935,802
Administrative expenses		<u>2,944,733</u>	<u>3,126,192</u>
OPERATING PROFIT	3	816,743	809,610
Interest receivable and similar income		<u>4,563</u>	<u>7,856</u>
		821,306	817,466
Interest payable and similar charges	4	<u>(35,307)</u>	<u>13,490</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		856,613	803,976
Tax on profit on ordinary activities	5	<u>219,282</u>	<u>228,928</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u><u>637,331</u></u>	<u><u>575,048</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR	637,331	575,048
Actuarial gains on pension scheme	149,000	108,000
Movement on deferred tax relating to pension asset/(liability)	(54,524)	(39,955)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>731,807</u>	<u>643,093</u>

CONSOLIDATED BALANCE SHEET
31 MARCH 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	8	497,737	625,574
Tangible assets	9	325,474	353,933
Investments	10	-	-
		<u>823,211</u>	<u>979,507</u>
CURRENT ASSETS			
Debtors	11	3,191,813	2,824,641
Cash at bank and in hand		<u>1,529,341</u>	<u>1,971,350</u>
		4,721,154	4,795,991
CREDITORS			
Amounts falling due within one year	12	<u>1,425,253</u>	<u>1,917,423</u>
NET CURRENT ASSETS		<u>3,295,901</u>	<u>2,878,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,119,112	3,858,075
CREDITORS			
Amounts falling due after more than one year	13	(496)	(136,454)
PROVISIONS FOR LIABILITIES	17	(26,167)	(32,343)
PENSION LIABILITY	20	<u>(120,475)</u>	<u>(289,751)</u>
NET ASSETS		<u><u>3,971,974</u></u>	<u><u>3,399,527</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Profit and loss account	19	<u>3,970,974</u>	<u>3,398,527</u>
SHAREHOLDERS' FUNDS	24	<u><u>3,971,974</u></u>	<u><u>3,399,527</u></u>

The financial statements were approved by the Board of Directors on 9 July 2014 and were signed on its behalf by:



M C Ingram - Director



M D Jennings - Director

GHA LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

**COMPANY BALANCE SHEET
31 MARCH 2014**

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	18,527	25,514
Investments	10	3,711,711	3,711,711
		<u>3,730,238</u>	<u>3,737,225</u>
CURRENT ASSETS			
Debtors	11	38,179	30,276
Cash at bank		59,187	208,741
		<u>97,366</u>	<u>239,017</u>
CREDITORS			
Amounts falling due within one year	12	281,529	572,198
NET CURRENT LIABILITIES		<u>(184,163)</u>	<u>(333,181)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,546,075	3,404,044
CREDITORS			
Amounts falling due after more than one year	13	(3,538,103)	(3,389,260)
PROVISIONS FOR LIABILITIES	17	<u>(3,748)</u>	<u>(5,677)</u>
NET ASSETS		<u>4,224</u>	<u>9,107</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Profit and loss account	19	3,224	8,107
SHAREHOLDERS' FUNDS	24	<u>4,224</u>	<u>9,107</u>

The financial statements were approved by the Board of Directors on 9 July 2014 and were signed on its behalf by:


M C Ingram - Director


M D Jennings - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

		2014	2013
	Notes	£	£
Net cash inflow from operating activities	1	169,076	1,194,744
Returns on investments and servicing of finance	2	39,870	(5,634)
Taxation		(219,009)	(414,231)
Capital expenditure	2	(119,587)	(269,758)
Equity dividends paid		(159,360)	(206,400)
		<u>(289,010)</u>	<u>298,721</u>
Financing	2	(152,999)	(275,840)
(Decrease)/increase in cash in the period		<u>(442,009)</u>	<u>22,881</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(442,009)	22,881
Cash outflow from decrease in debt and lease financing		<u>152,999</u>	<u>275,840</u>
Change in net funds resulting from cash flows		<u>(289,010)</u>	<u>298,721</u>
Movement in net funds in the period		<u>(289,010)</u>	<u>298,721</u>
Net funds at 1 April		<u>1,811,897</u>	<u>1,513,176</u>
Net funds at 31 March		<u><u>1,522,887</u></u>	<u><u>1,811,897</u></u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	816,743	809,610
Depreciation charges	153,271	136,703
Profit on disposal of fixed assets	(5,225)	(3,500)
Amortisation of goodwill	127,837	127,837
(Increase)/decrease in debtors	(367,172)	274,687
Decrease in creditors	(481,578)	(107,793)
Difference between pension charge and cash contributions	(74,800)	(42,800)
Net cash inflow from operating activities	169,076	1,194,744

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	4,563	7,856
Interest paid	(1,980)	(17,932)
Interest element of hire purchase payments	(713)	(1,558)
Defined benefit pension net finance cost	38,000	6,000
Net cash inflow/(outflow) for returns on investments and servicing of finance	39,870	(5,634)
Capital expenditure		
Purchase of tangible fixed assets	(128,457)	(273,258)
Sale of tangible fixed assets	8,870	3,500
Net cash outflow for capital expenditure	(119,587)	(269,758)
Financing		
Loan repayments in year	(147,042)	(280,243)
HP repayments in year	(5,957)	(13,468)
New HP agreements	-	17,871
Net cash outflow from financing	(152,999)	(275,840)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	1,971,350	(442,009)	1,529,341
	<u>1,971,350</u>	<u>(442,009)</u>	<u>1,529,341</u>
Debt:			
Hire purchase	(12,411)	5,957	(6,454)
Debts falling due within one year	(147,042)	147,042	-
	<u>(159,453)</u>	<u>152,999</u>	<u>(6,454)</u>
Total	<u>1,811,897</u>	<u>(289,010)</u>	<u>1,522,887</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES

Accounting convention

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

Basis of consolidation

The group financial statements consolidate the results of the company and its subsidiary undertakings. The results of subsidiaries acquired are consolidated for the periods from which the control passes to the group. Acquisitions are accounted for under the acquisition method.

Turnover

Turnover represents the amount receivable for goods and services provided during the year, excluding VAT.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 10% on cost and Straight line over the lease term
Improvements to property	- 20% on cost
Plant and machinery	- 20% on cost and at varying rates on cost
Fixtures and fittings	- 50% on cost and 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 50% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the group.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet.

The deferred tax relating to a defined benefit asset/liability is offset against the defined benefit asset/liability and not included with other deferred tax assets or liabilities.

The group also operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period in which they relate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	5,517,345	5,249,725
Social security costs	97,725	98,917
Other pension costs	316,149	540,879
	<u>5,931,219</u>	<u>5,889,521</u>

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

	2014	2013
Directors	6	6
Other staff	125	111
	<u>131</u>	<u>117</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Other operating leases	6,662	7,012
Depreciation - owned assets	148,803	124,846
Depreciation - assets on hire purchase contracts	4,468	11,857
Profit on disposal of fixed assets	(5,225)	(3,500)
Goodwill amortisation	127,837	127,837
Auditors' remuneration	12,650	12,650
Auditors' remuneration - accounting services	14,450	14,450
Auditors' remuneration - tax services	2,600	2,600
	<u>374,809</u>	<u>406,216</u>
Directors' remuneration	374,809	406,216
Directors' pension contributions to money purchase schemes	<u>158,972</u>	<u>414,442</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2014	2013
Money purchase schemes	<u>6</u>	<u>6</u>

Information regarding the highest paid director is as follows:

	2014	2013
	£	£
Emoluments etc	94,797	100,446
Pension contributions to money purchase schemes	<u>6,585</u>	<u>5,292</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank loan interest	1,980	17,932
Net finance costs in respect of defined benefit pension schemes	(38,000)	(6,000)
Hire purchase	713	1,558
	<u>(35,307)</u>	<u>13,490</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	225,458	219,009
Deferred tax	(6,176)	9,919
Tax on profit on ordinary activities	<u>219,282</u>	<u>228,928</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>856,613</u>	<u>803,976</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	197,021	192,954
Effects of:		
Expenses not deductible for tax purposes	3,465	7,023
Income not taxable for tax purposes	(8,370)	(840)
Capital allowances in excess of depreciation	-	(5,172)
Depreciation in excess of capital allowances	7,640	-
Goodwill amortisation not deductible for tax purposes	29,403	30,681
Marginal rate adjustment	<u>(3,701)</u>	<u>(5,637)</u>
Current tax charge	<u>225,458</u>	<u>219,009</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £154,477 (2013 - £132,741).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

7. DIVIDENDS

	2014 £	2013 £
Ordinary shares of £1 each		
Interim	<u>159,360</u>	<u>206,400</u>

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 April 2013	
and 31 March 2014	<u>1,278,372</u>
AMORTISATION	
At 1 April 2013	652,798
Amortisation for year	<u>127,837</u>
At 31 March 2014	<u>780,635</u>
NET BOOK VALUE	
At 31 March 2014	<u>497,737</u>
At 31 March 2013	<u>625,574</u>

Goodwill amortisation rates are as follows:

Arising on acquisition of George Hutchison Associates Limited in 2006 - over 10 years

Arising on acquisition of Birkett Stevens Colman Partnership Limited in 2009 - over 10 years

9. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2013	114,526	42,418	110,357
Additions	<u>5,591</u>	<u>58,944</u>	<u>12,803</u>
At 31 March 2014	<u>120,117</u>	<u>101,362</u>	<u>123,160</u>
DEPRECIATION			
At 1 April 2013	12,969	16,349	81,186
Charge for year	<u>10,869</u>	<u>14,138</u>	<u>21,484</u>
Eliminated on disposal	-	-	-
At 31 March 2014	<u>23,838</u>	<u>30,487</u>	<u>102,670</u>
NET BOOK VALUE			
At 31 March 2014	<u>96,279</u>	<u>70,875</u>	<u>20,490</u>
At 31 March 2013	<u>101,557</u>	<u>26,069</u>	<u>29,171</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

9. TANGIBLE FIXED ASSETS - continued**Group**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2013	157,081	199,957	421,934	1,046,273
Additions	5,183	14,840	31,096	128,457
Disposals	-	(38,090)	-	(38,090)
At 31 March 2014	162,264	176,707	453,030	1,136,640
DEPRECIATION				
At 1 April 2013	122,203	92,649	366,984	692,340
Charge for year	13,754	44,966	48,060	153,271
Eliminated on disposal	-	(34,445)	-	(34,445)
At 31 March 2014	135,957	103,170	415,044	811,166
NET BOOK VALUE				
At 31 March 2014	26,307	73,537	37,986	325,474
At 31 March 2013	34,878	107,308	54,950	353,933

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 April 2013 and 31 March 2014	17,871
DEPRECIATION	
At 1 April 2013	4,096
Charge for year	4,468
At 31 March 2014	8,564
NET BOOK VALUE	
At 31 March 2014	9,307
At 31 March 2013	13,775

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

9. TANGIBLE FIXED ASSETS - continued

Company	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2013	3,934	34,524	38,458
Additions	5,183	-	5,183
At 31 March 2014	9,117	34,524	43,641
DEPRECIATION			
At 1 April 2013	2,407	10,537	12,944
Charge for year	3,539	8,631	12,170
At 31 March 2014	5,946	19,168	25,114
NET BOOK VALUE			
At 31 March 2014	3,171	15,356	18,527
At 31 March 2013	1,527	23,987	25,514

10. FIXED ASSET INVESTMENTS

The above represents the parent company's 100% ordinary share holdings in the following subsidiary undertakings, all of which were incorporated in England & Wales:

Subsidiary	Principal Activity
Livingston Gunn Projects Limited	Process mechanical design and project management
George Hutchison Associates Limited	Consulting engineers
Birkett Stevens Colman Partnership Limited	Consulting civil and structural engineers

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	2,586,486	2,091,794	-	-
Accrued income	392,343	481,723	-	-
Prepayments and accrued income	212,984	251,124	38,179	30,276
	<u>3,191,813</u>	<u>2,824,641</u>	<u>38,179</u>	<u>30,276</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 14)	-	147,042	-	147,042
Hire purchase contracts (see note 15)	5,958	5,957	-	-
Trade creditors	257,904	415,034	11,202	15,747
Corporation tax	225,458	219,009	47,252	39,939
Social security and other taxes	531,525	509,371	23,275	24,284
Other creditors	130,000	260,000	130,000	260,000
Accruals and deferred income	274,408	361,010	69,800	85,186
	<u>1,425,253</u>	<u>1,917,423</u>	<u>281,529</u>	<u>572,198</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Hire purchase contracts (see note 15)	496	6,454	-	-
Amounts owed to group undertakings	-	-	3,538,103	3,259,260
Other creditors	-	130,000	-	130,000
	<u>496</u>	<u>136,454</u>	<u>3,538,103</u>	<u>3,389,260</u>

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>-</u>	<u>147,042</u>	<u>-</u>	<u>147,042</u>

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2014	2013
	£	£
Net obligations repayable:		
Within one year	5,958	5,957
Between one and five years	496	6,454
	<u>6,454</u>	<u>12,411</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

Group	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	26,086	26,380	3,199	-
Between one and five years	45,450	25,000	39,705	26,889
In more than five years	93,578	93,578	-	-
	<u>165,114</u>	<u>144,958</u>	<u>42,904</u>	<u>26,889</u>
Company			Other operating leases	
			2014	2013
			£	£
Expiring:				
Between one and five years			<u>7,190</u>	<u>7,190</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	-	147,042	-	147,042
Hire purchase	6,454	12,411	-	-
	<u>6,454</u>	<u>159,453</u>	<u>-</u>	<u>147,042</u>

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>26,167</u>	<u>32,343</u>	<u>3,748</u>	<u>5,677</u>
Group				Deferred tax
				£
Balance at 1 April 2013				32,343
Transfer to profit and loss account				(6,176)
Balance at 31 March 2014				<u>26,167</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

17. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1 April 2013	5,677
Transfer to profit and loss account	(1,929)
Balance at 31 March 2014	<u>3,748</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2014 £	2013 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

19. RESERVES

Group

	Profit and loss account £
At 1 April 2013	3,398,527
Profit for the year	637,331
Dividends	(159,360)
Defined benefit pension scheme actuarial gain/(loss)	94,476
At 31 March 2014	<u>3,970,974</u>
Profit and loss account excluding pension liability	4,091,449
Pension deficit	(120,475)
Profit and loss account	<u>3,970,974</u>

Company

	Profit and loss account £
At 1 April 2013	8,107
Profit for the year	154,477
Dividends	(159,360)
At 31 March 2014	<u>3,224</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

20. EMPLOYEE BENEFIT OBLIGATIONS

The group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group.

The contributions are determined by a qualified actuary on the basis of annual valuations. The most recent valuation was at 31 March 2014 which has been updated to reflect conditions at the balance sheet date.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(2,146,000)	(2,206,000)
Fair value of plan assets	1,993,500	1,829,700
	<u>(152,500)</u>	<u>(376,300)</u>
Present value of unfunded obligations	-	-
Deficit	(152,500)	(376,300)
Deferred tax asset	32,025	86,549
Net liability	<u>(120,475)</u>	<u>(289,751)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	16,000	16,000
Interest cost	86,000	99,000
Expected return	(124,000)	(105,000)
Past service cost	-	-
	<u>(22,000)</u>	<u>10,000</u>
Actual return on plan assets	<u>127,000</u>	<u>226,000</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Opening defined benefit obligation	2,206,000	2,119,000
Current service cost	16,000	16,000
Interest cost	86,000	99,000
Actuarial losses/(gains)	(146,000)	13,000
Benefits paid	(16,000)	(41,000)
	<u>2,146,000</u>	<u>2,206,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Opening fair value of scheme assets	1,829,700	1,591,900
Contributions by employer	52,800	52,800
Expected return	124,000	105,000
Actuarial gains/(losses)	3,000	121,000
Benefits paid	(16,000)	(41,000)
	<u>1,993,500</u>	<u>1,829,700</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Actuarial gains/(losses)	149,000	108,000
	<u>149,000</u>	<u>108,000</u>
Cumulative amount of actuarial gains/(losses)	<u>324,000</u>	<u>175,000</u>

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

	Defined benefit pension plans	
	2014	2013
Equities	76.60%	75.30%
Bonds	12.30%	17.40%
Property	4.60%	4.90%
Cash	6.50%	2.40%
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate	4.20%	3.90%
Expected return on scheme assets	6.00%	6.73%
Rate of increase in pension payments	3.50%	3.40%
Rate of increase in deferred pensions	2.70%	2.60%
Inflation	3.50%	3.40%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous four periods are as follows:

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit pension plans					
Defined benefit obligation	(2,146,000)	(2,206,000)	(2,119,000)	(1,819,000)	(1,891,000)
Fair value of scheme assets	1,993,500	1,829,700	1,591,900	1,324,000	1,253,000
Deficit	(152,500)	(376,300)	(527,100)	(495,000)	(638,000)
Experience adjustments on scheme liabilities	6,000	304,000	(1,000)	36,000	(13,000)
Experience adjustments on scheme assets	3,000	121,000	120,000	54,000	(20,000)

21. RELATED PARTY DISCLOSURES

During the year the following dividends were paid to the directors of the company in respect of ordinary shares:

M C Ingram £63,744 (2013: £82,560)
C W Stockton £47,808 (2013: £61,920)
S D Tennant £47,808 (2013: £61,920)

22. POST BALANCE SHEET EVENTS

Dividends totalling £53,120 were declared after the balance sheet date but prior to authorisation of the financial statements.

23. ULTIMATE CONTROLLING PARTY

The directors, M C Ingram, C W Stockton and S D Tennant, together hold 100% of the issued share capital.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2014 £	2013 £
Profit for the financial year	637,331	575,048
Dividends	(159,360)	(206,400)
	<hr/> 477,971	<hr/> 368,648
Other recognised gains and losses relating to the year (net)	94,476	68,045
	<hr/> 572,447	<hr/> 436,693
Net addition to shareholders' funds	572,447	436,693
Opening shareholders' funds	3,399,527	2,962,834
	<hr/> 3,971,974	<hr/> 3,399,527
Closing shareholders' funds	<hr/> 3,971,974	<hr/> 3,399,527

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2014	2013
	£	£
Profit for the financial year	154,477	132,741
Dividends	(159,360)	(206,400)
Net reduction of shareholders' funds	(4,883)	(73,659)
Opening shareholders' funds	9,107	82,766
Closing shareholders' funds	4,224	9,107