Results for the year ended 31 March 2013

"Good results, despite challenges in some markets."

Design and engineering consultancy group WS Atkins plc (Atkins) today announces its preliminary results for the year ended 31 March 2013.

RESULTS SUMMARY

	Note	**2013**	2012	Increase / Decrease
Income statement				
Revenue	1	**£1,705.2m**	£1,711.1m	-0.3%
Operating profit		**£104.1m**	£137.2m	-24.1%
Underlying operating profit	2	**£109.8m**	£110.5m	-0.6%
Operating margin		**6.1%**	8.0%	-1.9pp
Underlying operating margin	2	**6.4%**	6.5%	-0.1pp
Profit before taxation		**£103.3m**	£135.5m	-23.8%
Underlying profit before tax	3	**£104.5m**	£101.6m	+2.9%
Profit after taxation		**£88.4m**	£106.8m	-17.2%
Diluted EPS		**88.8p**	106.6p	-16.7%
Underlying diluted EPS	4	**86.7p**	79.0p	+9.7%
Dividend		**32.0p**	30.5p	+4.9%
People	5			
Staff numbers 31 March		**17,899**	17,420	+2.7%
Average staff numbers		**17,648**	17,489	+0.9%
Cash				
Operating cash flow		**£82.9m**	£68.6m	+20.8%
Net funds		**£143.0m**	£122.6m	+16.6%
Work in Hand	6	**55%**	56%	-1.0pp

HIGHLIGHTS

- Underlying profit before tax up 2.9% to £104.5m, on flat revenue
- Underlying diluted EPS up 9.7%
- Strong UK performance, with revenue up 4.7% and operating profit up 9.7%
- Investment in growth continues, with Energy revenue up 18.3%
- North America and Middle East markets remain challenging
- Improved operating cash flow, with net funds of £143.0m (2012: £122.6m)
- Full year dividend increased by 4.9% to 32.0 pence (2012: 30.5p)
- Positive momentum continues into 2013/14, with outlook unchanged and in line with expectations.

"We have delivered another year of good results and made notable progress towards the implementation of our strategy over the past 12 months. We have continued to optimise our portfolio with the agreed sale of our UK highways services business and sustained positive momentum in our UK, Asia Pacific and Europe and Energy businesses. We remain focused on driving operational excellence throughout the Group to improve margins, optimise our portfolio and meet the evolving needs of our clients. We are confident we will achieve further underlying growth in the year ahead."

Allan Cook CBE
Chairman

Prof Dr Uwe Krueger
Chief executive officer

Notes:

1. Revenue excludes the Group's share of revenue from joint ventures.
2. Underlying operating profit excludes amortisation and impairment of intangibles recognised on the acquisition of PBSJ of £10.0m (2012: £4.2m) and a pension curtailment gain of £4.3m (2012: £30.9m).
3. Underlying profit before tax additionally excludes profit on disposal of subsidiary undertakings and investments in joint ventures of £8.3m (2012: £7.2m) and costs associated with the sale of our UK highways services business of £3.8m (2012: nil).
4. Underlying diluted EPS is based on underlying profit after tax and allows for the dilutive effect of share options.

5. Staff numbers are shown on a full time equivalent basis, including agency staff.
6. Work in hand is the value of contracted and committed work as at 31 March that is scheduled for the following financial year, expressed as a percentage of budgeted revenue for the year. In both years it excludes the UK highways services business, the disposal of which is expected in the summer.

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Notes to editors

1. Atkins

Atkins (www.atkinsglobal.com) is one of the world's leading design, engineering and project management consultancies*, employing some 17,900 people across the UK, North America, Middle East, Asia Pacific and Europe. Over 75 years, from post-war regeneration and the advent of nuclear engineering to high speed rail and the integrated sustainable cities of the future, our people's breadth and depth of expertise and drive to ask why has allowed us to plan, design and enable some of the world's most complex projects.

*14th largest global design firm (Engineering News-Record 2012) and the third largest multidisciplinary consultancy in Europe (Svensk Teknik och Design 2012).

2. Attachments

Attached to this news release are the overview of the year, extracts from the business review, the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and notes to the preliminary financial information for the year.

3. Analyst Presentation

A presentation for analysts will be held today at the London Stock Exchange at 08.30am. Dial-in details are available from Smithfield for those wishing to join the presentation by conference call. A webcast of the presentation will be available via the Company's website, www.atkinsglobal.com.

4. Cautionary Statement

This news release and preliminary financial information (news release) have been prepared for the shareholders of the Company as a whole and their sole purpose and use is to assist shareholders to exercise their governance rights. In particular, this news release has not been audited or otherwise independently verified and no warranty is given as to its accuracy or completeness (other than any such warranty which is mandatorily implied by statute). The Company and its directors and employees are not responsible for any other purpose or use or to any other person in relation to this news release and their responsibility to shareholders shall be limited to that which is imposed by statute.

This news release contains indications of likely future developments and other forward looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and business segments in which the Group operates. These and other factors could adversely affect the Group's results, strategy and prospects. Forward looking statements involve risks, uncertainties and assumptions. They relate to events and/or depend on circumstances in the future which could cause actual results and outcomes to differ materially from those currently expected. No obligation is assumed to update any forward looking statements, whether as a result of new information, future events or otherwise.

OVERVIEW OF THE YEAR

We are pleased to report that the year to 31 March 2013 was another good year. While future market conditions remain uncertain, we are building positive momentum and are starting to see growth opportunities return.

Our underlying profit before tax was £104.5m, an increase of 2.9% over last year's profit of £101.6m, on turnover that was broadly unchanged at £1.7bn. We believe underlying profit is a more representative measure of performance, removing items that may give a distorted view of performance. The unadjusted reported profit before tax was £103.3m (2012: £135.5m).

The Group's profit after tax for the year of £88.4m (2012: £106.8m) is shown in the Consolidated Income Statement.

Headcount grew steadily over the year, closing at 17,899, a 2.7% increase on last year's closing position.

We have also made good progress towards achieving our strategic priorities. We have continued the work to optimise our portfolio and during the year we reached agreement to sell our UK highways services business which will enable us to focus on higher growth, higher margin activities.

The UK region had a good year and we have achieved positive momentum across all our UK businesses, resulting in headcount growth in continuing operations. Workload in our rail business has strengthened and utilisation is much improved, helped by recent wins in signalling and electrification. Our water business is performing well through the Asset Management Plan (AMP) cycle, with recent success such as our appointment by Thames Water to its 12 year, capital delivery water framework contract.

Our consultancy business in North America continues to experience soft market conditions. The highways and transportation business is operating well, with its appointment to three new contracts to oversee transport solutions for highways authorities in Florida, California and Texas. Our Peter Brown construction management at risk business, which reported a loss in the year of £6.5m, is focusing on closing out legacy contracts and building a pipeline of new business.

In the Middle East, protracted negotiations on contract variations and delays in contract awards had an impact on our financial performance and have suppressed headcount growth. Notwithstanding this, we see significant project opportunities in Qatar, the United Arab Emirates and the Kingdom of Saudi Arabia in the year ahead.

Our Asia Pacific and Europe businesses have continued to trade well, increasing the diversity of their client and skills base. In particular, the industrial client base of Faithful+Gould is providing balance and good growth opportunities. Asia Pacific remains a key area for investment for us and we aim to deliver focused growth in this region. In Europe, our largest operations are in Scandinavia which is a stable, well funded market in which we have performed well.

We delivered good organic growth in our Energy business where we are well positioned in the growth markets of oil and gas and nuclear. We have strengthened our service offering by continuing to team up and partner with companies offering complementary skills, such as our work with AREVA where we have formed a joint venture to compete for projects in the UK nuclear fuel management and decommissioning sector. We will continue to invest in this business to grow organically and through targeted acquisitions.

People

Over the past 75 years our success has been due to the expertise, quality, hard work and dedication of our people. We have a technical heritage dating back to 1938 with deep rooted values that drive every aspect of our business: outstanding people; placing our clients at the centre of everything we do; working together; being innovative and delivering winning performance. As we celebrate our anniversary year, we recognise that it is our people, past and present, who have made Atkins what it is today. A particular highlight of the year was last summer's hugely successful London 2012 Olympic and Paralympic Games, which represented the culmination of seven years' work for the Group. We look forward to the next chapter in our history as we continue to influence, design, engineer and manage projects that are creating the future.

Dividend

The Board is recommending a final dividend of 22.0p per ordinary share in respect of the year ended 31 March 2013, making the total dividend for the year 32.0p (2012: 30.5p), an increase of 4.9%. If approved at the Company's annual general meeting, the dividend will be paid on 23 August 2013 to ordinary shareholders on the register on 19 July 2013. Further details regarding dividend payments can be found in the Investor Information section of our Annual Report and Accounts and on our web page.

Outlook

The Group has maintained its resilience to challenging markets worldwide through the breadth and depth of its geographic and sector reach. This is reflected in the results we have reported for the year ended 31 March 2013. While we will continue to face challenges in some of our markets and sectors due to ongoing uncertain economic conditions and increased competition, we have made good progress towards our strategic priorities and expect this positive momentum to continue in the year ahead.

Business review

United Kingdom

Key performance indicators	**2013**	**2012**	**Change**
Financial metrics			
Revenue	**£900.3m**	£859.9m	+4.7%
Operating profit	**£56.6m**	£51.6m	+9.7%
Operating margin	**6.3%**	6.0%	+0.3pp
Work in hand *	**52.3%**	55.8%	-3.5pp
People			
Staff numbers at 31 March	**9,374**	8,924	+5.0%
Average staff numbers for the year	**9,129**	9,260	-1.4%

* Work in hand excludes the UK highways services business in both years.

Performance

Our UK regional performance has been strong across our businesses in the financial year to March 2013, delivering an improved margin of 6.3% (2012: 6.0%), which represents a second half margin of 6.6%. Both revenue and operating profit are ahead of the 2011/12 financial year with steady headcount growth, closing at 9,374 at the end of March. The fall in average headcount is due to the prior year disposal of our UK asset management business. We see multiple opportunities for our broad multidisciplinary offering, with momentum building across a number of markets providing good growth potential.

Business model

We are primarily focused on the UK market, where we plan, design and enable our clients' capital programmes in and around the built environment. We are a technical consultancy, providing advice and engineering design together with project management skills for public and private sector clients. Our multidisciplinary skills allow us to draw on expertise across the business to deliver complex projects in the UK and to support other regional businesses.

Strategy

In February 2013, in line with our strategy of portfolio optimisation, we announced the proposed sale of our UK highways services business, which employs around 1,200 staff, to Skanska. The disposal is expected to complete in the summer for an initial cash consideration of £16m, together with a further £2m subject to the future performance of the business. The exceptional gross profit on the disposal of this business, of around £15m, will be reported in the year to March 2014. Related transaction and restructuring costs of £3.8m have been reported in the year to March 2013.

We are seeing good opportunities in UK infrastructure markets as the UK Government seeks to stimulate the economy with its commitment to infrastructure spend and through rail and water regulatory spend. We have an ongoing focus on driving operational efficiency through cost reductions and supplementing skills with niche acquisitions where appropriate. We will invest in developing our people, focusing on quality, technical excellence and innovation.

In addition, our defence, security and aerospace markets are strong and provide good diversity to our infrastructure exposure.

Our programme of focusing on operational excellence has improved the underlying processes of the business, improving business efficiency and project delivery, ensuring increased time to focus on our clients' needs. Our continued attention to leveraging skills and capability from a variety of industry sectors and professional disciplines provides a strong and unique selling proposition to our clients.

Business drivers

The economic environment significantly affects the opportunities available to our business. Our diversified portfolio provides resilience to market fluctuations as does the fact that a number of our markets remain well funded. Added resilience is brought to our UK business by its ongoing support of projects in other regions, together with the increasing use of our Indian operations in Bangalore and Delhi to provide flexibility of delivery and access to high quality, lower cost resources. We assess risks across all our businesses and this is explained in more detail in the risk section of the Annual Report and Accounts Business Review.

Operations

Rail

We have commenced work on the two rail signalling frameworks we were awarded in January 2012 for the Sussex/Wessex and Kent/Anglia areas. This is in addition to other awards in year, including the Wolverhampton, East Sussex and Farnham signalling schemes. We continue our work on the Cardiff Area re-signalling scheme and engineering design work on the Country South section of High Speed 2.

The UK's electrification programme is expected to present a substantial opportunity for our rail business. We have recently secured work in partnership with Parsons Brinckerhoff on the Great Western electrification and Cumbernauld section of Edinburgh to Glasgow Improvement Programme alongside Carillion.

In partnership with Network Rail, Laing O'Rourke and Volker Rail we have secured a position on Network Rail's new flagship alliance, the Stratford Area Improvement Programme with a capital cost of approximately £230m over a four year period.

Our rail business has a strong work in hand position as we enter the new financial year, reflecting these recent contract wins.

Highways and transportation

In February 2013 we announced the proposed sale of our UK highways services business of around 1,200 staff. This disposal, which is in line with our strategy of optimising our portfolio of businesses, is expected to complete in the summer.

Our design consulting business, employing around 950 staff, is retained as a core part of our UK business, together with our activities within the M25 Connect Plus consortium providing operational maintenance and design for the upgrade of significant additional sections of the M25, London's orbital motorway.

Our consultancy business had a notable success with the award of the Wiltshire County Council consultancy contract, which commenced in December 2012. This supplements other framework wins already underway for the South Wales Trunk Road Agent and Surrey County Council.

Water and environment

Our water and environment business has performed well during the year. The five year regulatory Asset Management Plan (AMP5) framework contracts we have with a number of the UK water companies are providing strong workload volumes as their capital investment programmes progress. We are supporting a number of water companies as they prepare for the AMP6 regulatory investment period and have recently been appointed by Thames Water to its 12 year, capital delivery water framework contract which is expected to deliver £3bn of schemes during AMP6. This early contractor involvement provides greater continuity of workload between the AMP cycles.

Our geotechnical, environmental and planning businesses continue to support large projects such as the environmental impact assessments for the Rural North section of High Speed 2.

Faithful+Gould

Faithful+Gould continues to perform well, with good growth in the energy sector, and we have been appointed by the local authority controlled Scape company as the lead professional consultant managing a national framework covering services including asset management, surveying and design services.

Design and engineering

Building on our success on the London 2012 Olympic and Paralympic Games, we are now overseeing the technical transformation of the Queen Elizabeth Olympic Park from Games venue into an exciting new visitor destination and community park.

Work in other targeted sectors sees us delivering innovative design solutions for a changing educational landscape; expanding our healthcare portfolio through specialist dementia care design; helping to develop plans for a multi runway hub airport in the South East; and continued involvement in Crossrail.

We are currently working alongside architects Pascall+Watson and Zaha Hadid Architects to undertake a feasibility study for a Thames island airport.

Defence, aerospace and communications

Our defence, aerospace and communications business has had a good year.

The aerospace sector is seeing good growth in Europe, where we were appointed as a tier 1 supplier to Airbus/EADS, and also in North America where we have recently opened an office in Seattle to focus on building a relationship with Boeing. We have a strong pipeline of aerospace work as we look into the new financial year.

We are currently evaluating our strategy in relation to the proposed Defence Acquisition Reform. Elsewhere in defence, our work at the AWE continues.

Security, cyber security and communications are an increasing focus for governments and private sector clients and we are well placed, in conjunction with our management consulting capabilities, to leverage our often unique skills and capabilities within both the UK and the Middle East.

Management consulting

Our management consulting business has performed well in the year. We have continued our security and intelligence work for central government, as well as supporting BAA's IT outsourcing contract in partnership with Capgemini, leveraging our position in aviation. We continue to provide government and industry with excellent practical capability to run the full lifecycle of IT related project changes from specification and business case, through project and change management to assured benefit realisation.

Elsewhere in the UK, as reported in May 2012, the Group completed the sale of its non-controlling interest in RMPA Holdings Limited (which delivered the Colchester Garrison PFI project) for a net consideration of £14.4m. The pre-tax profit on sale of £7.6m does not appear in the segmental operating profit in the preceding summary table. Also excluded is a pension curtailment gain arising in the Atkins section of the Railways Pension Scheme of £4.3m.

Outlook

We expect the current momentum in our UK business to continue into the new financial year, recognising that the full year performance in terms of both headcount and revenue growth will be influenced by the sale of the UK highways services business, expected to complete in the summer. Secured work in hand of 52.3% (2012: 55.8%) of next year's budgeted revenue is lower than 2012 reflecting the completion of our Olympics work. However, work in hand remains healthy and gives us confidence for the year ahead.

North America

Key performance indicators	2013	2012	Change
Financial metrics			
Revenue	**£389.7m**	£421.9m	-7.6%
Operating profit	**£15.3m**	£21.2m	-27.8%
Operating margin	**3.9%**	5.0%	-1.1pp
Work in hand	**61.0%**	59.5%	+1.5pp
People			
Staff numbers at 31 March	**3,039**	3,255	-6.6%
Average staff numbers for the year	**3,091**	3,314	-6.7%

Performance

Our North American business had a difficult year with a reduced profit of £15.3m (2012: £21.2m) as a consequence of ongoing losses on legacy contracts in our Peter Brown construction management at risk business, which reported a loss for the year of £6.5m. Aside from these losses our consultancy and Faithful+Gould businesses in North America reported a profit of £21.8m despite experiencing soft market conditions in the first half of the year and suffering a number of project delays and uncertainty as a consequence of the US presidential election. The second half of the year improved with a full year consultancy margin of 6.0% (2012: 6.6%). Overall headcount closed the year at 3,039 (2012: 3,255).

Business model

We are primarily focused on the North American market where we plan, design and enable our clients' capital programmes. We operate from over 107 locations in 29 states plus Puerto Rico, Trinidad and Canada. This allows us to draw on expertise from across the region to deliver complex projects in North America and to provide specialist skills from within North America to strengthen the Group's offering in other segments.

We currently focus on multidisciplinary design and engineering consultancy services in highways and transportation, water and environment and infrastructure related projects.

Strategy

Our strategy in the region is consistent with the Group's strategy of combining technical excellence with regional multidisciplinary capability delivered through our network of local offices. We serve a range of public and private sector clients and expect to tighten our focus on the energy, water resources, transportation, federal facilities and cities markets while expanding our presence in Texas, California, and the Northeastern United States. We see tremendous opportunities to offer a wider suite of services to clients through synergies between the various Atkins businesses in North America.

In addition, our growth in the North American market will be supported by increasing the use of expert technical resources from across the Group.

Business drivers

The majority of North America's projects are funded in part or in whole with federal funds, either through a state or local government agency or directly by federal agencies. Publicly funded projects provide greater stability than privately funded projects, which tend to have funding fluctuations directly correlating to financial market conditions. However, publicly funded projects tend to be awarded more slowly or are delayed due to protracted negotiations within the agencies and/or due to intense political scrutiny.

Aspects of our federal work, where we are contracted to assist with disaster response and emergency management, can be unpredictable in nature and timing, as these projects arise as a consequence of natural disasters.

Operations

Consultancy

Highways and transportation

The highways and transportation business has performed well. In the latter part of the year, we won three new contracts to oversee transport solutions for highways authorities in Florida, California and Texas, underlining our status as one of the world's leading consultants in this field. We have served as programme manager or engineering consultant for more than 30 toll or public sector highway agencies in the US, and over the years have provided toll related services for capital improvements exceeding £16bn.

In California's San Francisco Bay area, we will serve as the Metropolitan Transportation Commission's (MTC) toll system manager for the Regional Express Lane Network electronic toll system. The five year contract requires us to provide strategic advice, develop system requirements and support the procurement of a system integrator. The first phase of the MTC Program will create 76 lane miles of new express toll lanes that are due to open to traffic in 2015.

In Texas, Atkins has been awarded the GEC contract to provide the North Texas Tollway Authority with annual asset inspection services, independent review and certifications of the engineering financial programme and construction fund payments.

These appointments demonstrate Atkins' scope of expertise and in depth knowledge of emerging trends in toll technology and toll operations including all-electronic tolling, video tolling, open road tolling, customer service centre operations and express/managed lanes.

In aviation, we continue projects such as the planning of the new terminal at New Orleans Louis Armstrong International Airport. We are also expanding our aviation and rail and transit capabilities in North America by leveraging Group expertise to broaden our service offering, while at the same time continuing to support Group activities in other regions.

Infrastructure and environment

Our water and environment business had a poor first half and a challenging second half in 2012/13. However, we did see improvement in the water resources, energy and coastal markets during the year. Going forward, we see opportunities for market share growth in Texas and California.

Elsewhere our infrastructure business grew work in hand significantly towards the end of the year, due to a large year end distribution of federal funds to support planning, asset management and water related infrastructure projects for the US military.

Faithful+Gould

Our Faithful+Gould business of 550 staff, which provides project management and cost control services, has seen growth during the year following improvement in the private sector market. This is typified by our support to GSK on its relocation to a new SMART working site in Philadelphia's Navy Yard.

Peter Brown

As previously reported, our Peter Brown construction management at risk business of 56 people is making steady progress on the close out of problem legacy contracts. However, there have been further costs in the second half of the year resulting in a full year loss of £6.5m.

We have reviewed the carrying value of intangible assets held in relation to the Peter Brown business and have concluded these should be written down to zero. More details can be found in note 12.

Risks

There have been no developments with regard to the longstanding and previously reported Department of Justice and Securities and Exchange Commission enquiries relating to potential Foreign Corrupt Practices Act violations by The PBSJ Corporation prior to its acquisition by the Group. We assess risks across all our businesses and this is explained in more detail in the risk section of the Annual Report and Accounts Business Review.

Outlook

While some uncertainty surrounding the timing of infrastructure funding remains, the financial outlook for the North American business indicates the opportunity for slow, but continual improvement. Work in hand at the year end stands at 61.0% of next year's budgeted revenue (2012: 59.5%).

Middle East

Key performance indicators	2013	2012	Change
Financial metrics			
Revenue	**£162.2m**	£171.4m	-5.4%
Operating profit	**£11.8m**	£16.8m	-29.8%
Operating margin	**7.3%**	9.8%	-2.5pp
Work in hand	**80.2%**	73.8%	+6.4pp
People			
Staff numbers at 31 March	**1,979**	1,972	+0.4%
Average staff numbers for the year	**2,006**	1,758	+14.1%

Performance

The Middle East region had a mixed year, with revenue down 5.4% and operating profit lower by 30%.

This suppressed performance was due to delays to the start of a number of key opportunities and protracted negotiations on variations to major contracts in the region having an impact on our financial performance in terms of both profitability and cash flow.

Headcount has remained flat year on year and is down 69 from the half year, reflecting the impact of delays in contract awards.

Business model

We have an established presence in six Gulf countries, through which we deliver our multidisciplinary design and engineering consultancy services. We continue to expand our services in the Kingdom of Saudi Arabia (KSA), where we have offices in Riyadh, Jeddah and Al Khobar. Our permanent establishment and local partnership allow us to deliver significant resources and expertise to the Kingdom to meet the demand for our services. We are also growing strongly in Qatar, adding to our well established businesses in Abu Dhabi, Dubai, Oman, Bahrain, and Kuwait.

Strategy

Our strategy in the Middle East continues to be one of sector diversification and geographic expansion, primarily focused on KSA and Qatar, as we develop a multidisciplinary business across the region. This strategy focuses on serving the broad infrastructure market, by securing work for key clients with major capital programmes in rail, property, urban development, defence, airports and programme and cost management. In addition, local resources support our energy business in the region, which is reported within our Energy segment.

Our portfolio of successfully completed signature projects in the region, such as the Burj Al Arab, Dubai Metro and the Bahrain World Trade Center, means Atkins has a strong profile from which to develop into growth markets. This is reinforced by industry awards and recognition, such as our success in being named *Construction Week's* General Construction Consultant - Consultant of the Year 2012.

Business drivers

The economic climate in the Middle East is primarily driven by the global price of oil, which affects demand for our services since regional spending ultimately flows through to infrastructure, where there is a clear view of well funded programmes. Additionally, the longer term need to develop infrastructure for growing economies and populations will drive demand for our services. Events such as the 2022 FIFA World Cup in Qatar also create localised opportunities.

Our experience over the 40 years we have been operating in the Middle East indicates it is a region where there is an increased risk of payment delay and that certain countries within the region have greater potential for political instability, although we operate in countries which are generally more stable. We track risks across all of our businesses and the process is explained in more detail in the risk section of the Group's Annual

Report and Accounts.

Operations

Notwithstanding the contract negotiations referred to earlier, the business has maintained a well balanced workload across the region.

Our most significant project in the region is the design of the King Abdulaziz International Airport in Jeddah, where we are the lead designer and programme manager for this new 30 million passenger per annum terminal as well as associated buildings and infrastructure.

We are seeing encouraging demand for our defence, security and communications expertise in the Kingdom, having successfully delivered a contract to support the Ministry of Interior's modernisation programme. The transportation, property and urban planning markets in KSA are seeing a notable upsurge in activity, with significant opportunities to support religious tourism in Mecca and its key gateway, Jeddah. We are also working for the Royal Commission of Jubail to support its major industrial development activity in the Eastern Province.

Our headcount in Qatar has grown to more than 400 locally based staff. We continue to work with the government advising on infrastructure planning and design projects to meet its ambitious National 2030 Vision, while the 2022 FIFA World Cup has provided an immediate focus and sense of urgency for the development of essential infrastructure. Our key projects include the Central Planning Office, which is helping to coordinate Qatar's major transport programmes on time and to budget, and a significant framework contract to upgrade Doha's roads and drainage systems.

In the United Arab Emirates (UAE) we are working on the concept design of the 1,300km Etihad Rail project to link the principal industrial and residential centres in the UAE, which adds to our portfolio of successful rail design projects in the region, notably the Dubai Metro, Lusail Light Rail in Qatar, the Kuwait Metro and Mecca Metro. There remains strong appetite for rail and metro projects across the region, with opportunities to work selectively for design and build contractors.

The property design market has remained relatively quiet although we have been appointed to design the infrastructure for a new £1.3bn, 42 km^2 residential community in Abu Dhabi and we are seeing developers restart suspended projects and investigating new opportunities as liquidity and confidence in the region's commercial development returns. This trend is particularly strong in Dubai, a candidate city to host Expo 2020, where there are encouraging signs that confidence is returning. This is leading to masterplanning and visioning work, with an emphasis on projects which will support the wider economy by attracting tourist and visitor spending.

The increasing maturity of our core Middle East markets is also supporting demand for project and programme management services, leading to headcount growth of 23% in our Faithful+Gould business in the region.

Outlook

We have a good order book which stands at 80.2% of next year's budgeted revenue (2012: 73.8%). There are good opportunities for steady growth in our focus areas of Qatar and Saudi Arabia and we anticipate a return to headcount growth in the next financial year. The commercial environment remains challenging, with the robust management of our projects key to successful delivery.

Asia Pacific and Europe

Key performance indicators	**2013**	**2012**	**Change**
Financial metrics			
Revenue	**£164.8m**	£163.5m	+0.8%
Operating profit	**£13.8m**	£11.9m	+16.0%
Operating margin	**8.4%**	7.3%	+1.1pp
Work in hand	**44.7%**	49.8%	-5.1pp
People			
Staff numbers at 31 March	**2,055**	2,020	+1.7%
Average staff numbers for the year	**2,044**	1,993	+2.6%

Performance

Our Asia Pacific and Europe businesses have performed well in the year to March 2013. Turnover has remained relatively flat while the operating margin has improved to 8.4% (2012: 7.3%) and headcount continued to increase, closing at 2,055 (2012: 2,020).

Our smaller operations in Ireland and Portugal have performed in line with our expectations despite continued tough market conditions.

Business model

We operate through a network of offices in Asia Pacific and Europe. The segment comprises our design and engineering consultancy and Faithful+Gould businesses in Hong Kong, mainland China and Singapore, together with six countries across Europe: Denmark, Ireland, Norway, Poland, Portugal and Sweden. We have recently opened an office in Malaysia as we seek to increase our footprint in the Asia Pacific region.

Strategy

In China, we continue to invest to take advantage of opportunities as the market opens up, recognising that it could be several years before material growth is achieved. We have focused on the development of our architectural and urban masterplanning businesses, applying world class design and planning talent to take advantage of the market potential. Our architectural design capability strengthens our service offering and this, coupled with our Hong Kong infrastructure design skills, provides added value to our customers.

In Hong Kong, we are actively targeting expansion of our client base and our core competencies of rail design work (notably for the Mass Transit Rail Corporation) and civil, highway and bridge engineering. We have broadened our service offering and continue to leverage Group skills to augment our proposition to our local client base of government agencies, contractors and private sector developers. This is creating a greater platform for further revenue and margin growth.

Elsewhere in South East Asia, we are expanding our presence in Singapore and Malaysia.

We continue to develop our core Scandinavian businesses, particularly in Norway, broadening our skillbase through organic growth and targeted acquisitions.

In Poland, we remain focused on environmental services for the transport and energy markets.

Business drivers

We see good growth potential from Asia Pacific not only in our more established Hong Kong and mainland China businesses which continue to offer attractive growth, albeit at slightly lower than historical rates, but also from new areas. We will focus our initial efforts on increasing our exposure in Singapore and Malaysia.

The Scandinavian markets that we face continue to benefit from investment in critical infrastructure from the public and private sectors, providing stable market conditions. We seek to expand and differentiate our offering within the transportation market. While our operations have stabilised in Ireland and Portugal the government austerity measures in these countries will curtail any meaningful growth.

We assess risks across all our businesses and this is explained in more detail in the risk section of the Annual Report and Accounts Business Review. Clearly, although our market exposure in Europe is limited, we do face the continuing risk of a further market downturn as austerity measures have an impact on available workload. In certain countries within our Asia Pacific region we also need to mitigate the risk of a lack of commercial transparency and political instability. We continually monitor markets and regions in which we trade and focus our efforts in geographies that have more stable trading environments.

Operations

Asia Pacific

In the Asia Pacific region we have 1,295 staff (2012: 1,234). Our business in Hong Kong continues to work for MTRC and we have secured some good contract wins for the Hong Kong Airport Authority. The latest of these awards is as part of the engineering consultant team for the third runway infrastructure and concourse scheme design for constructing a new airport runway north of the existing runways. We are also the lead engineer on the Hong Kong Link Road project, a 12km link road which will connect the Hong Kong-Zhuhai-Macao Bridge to the international airport. We have recently secured detailed design work for the China State Construction Engineering Corporation on the Central Wan Chai Bypass in Hong Kong.

In mainland China, we designed the Skyworth Gongming mixed use complex in Shenzhen, turning a historical industrial area into a landmark and the first eco-friendly development in the Guangming district. Furthermore, we were appointed design consultants for the largest landmark project in Zhengzhou, which includes three super tall towers, four office towers and hotels and a retail area. We have recently secured design work on the two iconic tall towers forming a mixed use development in Shenyang, the largest city in North East China. Our urban planning and landscape teams have been busy with masterplanning projects such as the advertising and creative arts zone in Beijing and the masterplan for 'the world oil city' in Karamay, which is our largest multidisciplinary project in mainland China involving landscaping, water engineering, highways and bridges, geotechnical, regional consultancy and tourism consultancy. Our close relationships with certain Chinese contractors continue to benefit our business.

Faithful+Gould, which has 199 staff (2012: 156) in the Asia Pacific region, is seeing stable market conditions with growth in the need for sustainability services, characterised by our appointment to support China Resources Land on its 500m tall headquarters in Shenzhen.

Europe

Our Scandinavian businesses have around 580 staff (2012: 580). Performance in the year has been good. Recent contract wins include the Skien rail project in Norway for the Norwegian National Rail Administration - Jernbaneverket.

In Denmark we are working in a joint venture with Grontmij on the detailed design of the second track between Vamdrup and Vojens in the South of Jutland. In the year, our highways and transportation business secured design work on the Naestved bypass, which includes the design of 22 new bridges including a 200m river crossing.

In Sweden we are working on several larger infrastructure projects such as Mälarbanan to Trafikverket and the Lidingö Tram Line.

In Poland our most significant project continues to be our role as the owner's engineer for the Polish liquefied natural gas (LNG) project.

Outlook

We have secured work in hand of 44.7% of our 2013/14 budgeted revenue (2012: 49.8%) which puts us in a good position as we enter the new financial year. Asia Pacific remains a focus area for investment by the

Group going forward.

Energy

Key performance indicators	2013	2012	Change
Financial metrics			
Revenue	**£151.9m**	£128.4m	+18.3%
Operating profit	**£13.8m**	£11.4m	+21.1%
Operating margin	**9.1%**	8.9%	+0.2pp
Work in hand	**33.4%**	32.4%	+1.0pp
People			
Staff numbers at 31 March	**1,376**	1,182	+16.4%
Average staff numbers for the year	**1,307**	1,095	+19.4%

Performance

Our Energy business continues to perform well in buoyant markets across all sectors. Revenue was up 18% year on year and staff numbers increased to 1,376, an increase of 16% over the year. Growth has been helped by successful integration of previous acquisitions and partnering arrangements. The margin of 9.1% reflects ongoing investment in the strategic growth of this sector through acquisitions and joint ventures.

Business model

The Energy business operates worldwide in several home markets, competing both in its own right and through several joint ventures, against a wide range of competition from large multinational engineering consultancies to specialist niche players.

Strategy

We remain focused on nuclear, oil and gas, conventional power generation and renewables. In these industries we are applying our high end multidisciplinary engineering skills to assure the integrity and safety of existing operational facilities as well as in the design of new facilities.

We continue to look at investment opportunities, selectively expanding our geographic footprint and service offering through organic growth, as well as extending and creating new partnering arrangements and targeting acquisitions in our core disciplines in regions where we are underrepresented.

Business drivers

Our business is underpinned by the global growth in energy requirements as many countries struggle with increasing demand and an imperative to decarbonise to mitigate the effects of climate change.

High oil prices drive the demand to keep existing energy production and distribution facilities operating longer, drawing on our safety and integrity services. At the same time, with the industry seeking to maximise more challenging oil reserves, such as marginal and deepwater fields, there is a continued increase in demand for our advanced engineering skills.

In nuclear we continue to see a similar focus on keeping existing facilities operating safely for longer, with an ongoing requirement for technical support around nuclear decommissioning. In addition, many countries around the world are still planning to build new nuclear power plants as part of their long term strategy for decarbonisation. Our skills are in high demand across the entire nuclear lifecycle.

We assess risks across all of our businesses and this is explained in more detail in the risk section of the Annual Report and Accounts Business Review. The risks identified as being most pertinent to this business are safety and environmental risks and the reputational risk associated with the highly regulated areas within which we operate.

We have also identified that our plans for growth are potentially affected by the availability of skills. To mitigate this risk we continue to invest in our in-house training academy that now provides externally recognised courses. This year we welcomed more than 500 people on these courses.

Operations

Nuclear

Our nuclear business remains busy on existing nuclear generation, new build and decommissioning work, continuing to build on our 40 years of operational experience of UK nuclear facilities.

In February we joined EDF Energy's UK Strategic Supply Chain Partnership to provide additional expert engineering support as the company seeks to extend the life of its existing nuclear Advanced Gas-cooled Reactor fleet. This was a natural extension of our existing relationship which has seen us provide engineering, safety and environmental services on the existing UK fleet for over 30 years.

In September 2012 we announced the formation of a joint venture with AREVA, a global leader in nuclear energy, to compete for projects in the UK nuclear fuel management and decommissioning sector.

The internationalisation of our nuclear business continues with the formation in November 2012 of a strategic alliance with US based Merrick & Company and Nuclear Safety Associates (NSA) to serve North America's nuclear market.

The continued success of our n.triple.a joint venture, addressing the international nuclear new build market with French engineering consultancy Assystem, is evidenced by ongoing workload in the Kingdom of Saudi Arabia and South Africa. We extended the alliance last year to support aspects of EDF Energy's nuclear new build aspirations in the UK.

Our role as architect engineer, as part of the Engage consortium, continues on the €15bn International Thermonuclear Experimental Reactor (ITER) programme which is the next step in a global research and development programme to harness nuclear fusion as a commercially viable source of electricity.

Oil and gas

Our oil and gas business has shown continued growth in revenues and headcount. Progress in line with our strategy to secure long term framework agreements for both consultancy and design services is providing a solid base load of work and further cementing the strong relationships we enjoy with our clients.

In addition to our existing major framework agreements with BP, Chevron, Talisman and Apache we have established similar long term agreements with Nexen, Statoil and Maersk. In March we added a framework covering all of our service offerings to BP's UK offshore assets. Significantly, we were recently selected to provide technical and safety engineering services to Shell's onshore and offshore assets worldwide under a new four year Enterprise Framework Agreement (EFA). Atkins has worked with Shell in the North Sea, USA, Africa, Canada and Western Australia including safety assessments and risk management services on the ground breaking Prelude floating Liquefied Natural Gas (fLNG) project.

We are securing an increasing volume of multidisciplinary design work. As examples, we continue to strengthen our long term relationships with Premier Oil with our work on the Solan project and with Apache in delivering the Front End Engineering Design (FEED) services to support the Varanus Island Compression Project in North West Australia.

A significant part of our focus has been on difficult or marginal field developments, where our strong technical skills have supported the development of new concepts in floating production, storage and offloading facilities. We successfully completed projects for the Chevron Alder high pressure, high temperature (HPHT) field and are delivering similar work for Maersk.

Underpinned by strong client relationships, in particular with BP and Shell, our Houston and Calgary operations continue to develop. In the Middle East there is a significant flow of engineering and design work for local clients.

Our work on LNG projects in Singapore, Poland and Australia's largest development, Ichthys, continues as well as our design contract for an onshore gas processing plant for Block 60 in the Sultanate of Oman.

Power

In the UK our power business continues its work as lead technical provider to both the Drax and Eggborough power stations and has an increasing role in biomass projects. We continue our long term support of National Grid in its complex construction programme.

In early 2013, Atkins was selected by Energos to help deliver a large scale energy from waste (EfW) facility as part of Viridor and Glasgow City Council's £146m Glasgow Recycling and Renewable Energy Centre (GRREC). This new contract adds to our portfolio of providing high end technical support to large scale power generation projects.

We have recently been appointed by the UK Government Department of Energy and Climate Change (DECC) in three technical advisory roles, strengthening our position at the heart of emerging clean energy technologies. We are providing technical support to the DECC Energy Storage competition, developing a report into deep geothermal energy resource. We have also been appointed as technical advisor to the Carbon Capture and Storage commercialisation programme.

Marine renewables

We remain very active in the offshore renewables sector, supporting a number of framework contracts in the UK with a range of developers. We recently secured a further contract with DONG Energy to undertake the detailed design of the offshore substations for the extension to the Walney offshore wind farm in the UK's Irish Sea. This project win cements our position as one of the leading British engineering and design consultancies in the offshore renewables sector.

Outlook

The outlook for our Energy business remains very good. We are well positioned in growth markets and have work in hand ahead of last year at 33.4% of budgeted revenue (2012: 32.4%), which will underpin further headcount growth in the year ahead.

Business Review

Financial performance

Performance summary

Turnover was flat at £1.71bn (2012: £1.71bn). Reported profit before tax was £103.3m (2012: £135.5m), with 2012 distorted by a large pension curtailment gain of £30.9m. A more representative measure is underlying profit before tax, which was £104.5m (2012: £101.6m). Underlying profit removes amortisation and impairment of acquired intangible assets of £10.0m (2012: £4.2m), profits on disposals net of transaction costs of £4.5m (2012: £7.2m), along with a pension curtailment gain in 2013 of £4.3m (2012: £30.9m).

Reported operating profit was £104.1m (2012: £137.2m), at a margin of 6.1% (2012: 8.0%). The year on year decrease in margin was primarily due to the impact of one off pension gains. This year there was a £4.3m pension curtailment gain, whereas in 2012 there was a gain of £30.9m, as a result of steps taken to actively manage our pension liabilities. There was also amortisation and impairment of acquired intangible assets this year of £10.0m (2012: £4.2m). Adjusting for the effect of these provides a better view of the Group's performance, showing underlying operating profit of £109.8m (2012: £110.5m) and an underlying margin of 6.4% (2012: 6.5%).

The aforementioned profit on disposal of £4.5m is explained in more detail in note 6. In summary it comprises the profit on sale of a number of businesses of £8.3m, together with transaction and restructuring costs of £3.8m associated with the disposal of our UK highways services business, which is due to complete in the summer.

At 31 March 2013 the net book value in respect of acquired intangible assets of the Peter Brown business within Atkins North America was fully written down, resulting in total amortisation and impairment of intangible assets on acquisition of £10.0m (2012: £4.2m).

Headcount was 17,899 at the end of March 2013 (2012: 17,420), 479 ahead of the same time last year as a result of underlying organic growth.

Net finance cost

Net finance cost was £9.1m (2012: £10.8m). The year on year reduction was primarily the result of a reduction in net pension interest.

Taxation

The Group's income tax expense for the year was £14.9m (2012: £28.7m), giving an effective tax rate of 14.4% (2012: 21.2%). The Group's underlying effective tax rate was 17.4% (2012: 22.0%). This rate is lower than the UK statutory rate (24%) due to the regional profile of profit, continued benefits from research and development (R&D) tax credits, the utilisation of losses not previously recognised for tax and the impact of prior year adjustments.

The Group's tax position will continue to be driven by our regional profile of profits and the benefit of R&D tax credits.

Earnings per share (EPS)

Basic EPS from continuing operations was 91.0p (2012: 109.0p). Underlying diluted EPS on continuing operations was 86.7p (2012: 79.0p), an increase of 9.7%.

Pensions

Funding

In the prior year, Atkins Limited undertook an enhanced transfer value (ETV) exercise for deferred members of the Atkins Pension Plan (the Plan). The exercise gave rise to a settlement gain under IAS 19 in respect of those members who transferred out their benefits. The Plan recognised a net settlement gain of £0.1m in respect of the ETV exercise for the year ended 31 March 2013. This is to allow for the difference between the expected impact of the exercise already included in the 31 March 2012 disclosures and the actual impact of the exercise. The settlement gain of £0.1m is based on the transfer out of the plan of a further £1.3m of assets and corresponding liabilities of £1.4m in respect of those members.

The Railways Pension Scheme recognised a curtailment gain during the 2013 financial year in respect of the two new benefit bases that came into effect for certain members from 1 January 2013. A curtailment gain arose for members moving from the existing uncapped salary category or RPI capped salary category to the new CPI capped category. The reduction in the past service liability for this curtailment is £4.3m and this has been recognised as a curtailment gain in the year ended 31 March 2013.

Cash contributions of £21.0m (2012: £26.0m) were made to the Plan during the year. The year on year reduction in cash contributions was due to the deficit benefit achieved through the ETV exercise, which the Trustee had agreed would be immediately reflected in the Plan's funding. Under the latest agreed recovery plan the Group will contribute £32m in for the following seven years ending 31 March 2020.

Charges

The Group accounts for pension costs under IAS 19, *Employee benefits*. The total charge to the income statement in respect of defined benefit schemes was £5.2m (2012: credit of £19.1m), comprising service cost of £2.2m (2012: £3.3m), curtailment and settlement gains of £4.4m (2012: £33.3m) and a net finance cost of £7.4m (2012: £10.9m). The charge relating to defined contribution schemes increased to £32.8m (2012: £31.0m).

IAS 19 valuation and accounting treatment

The Group determines pension scheme funding with reference to actuarial valuations, but for reporting purposes uses IAS 19. Under IAS 19 the Group recognised an increased retirement benefit liability of £285.2m at 31 March 2013 (2012: £251.1m).

The assumptions used in the IAS 19 valuation are detailed in note 13.

Future changes to accounting standards

On 16 June 2011 the International Accounting Standards Board published a revised version of IAS 19 effective for reporting periods starting on or after 1 January 2013. The standard will be applied to the Group

Financial Statements for the first time for the year ending 31 March 2014 and will require the comparatives for the year ended 31 March 2013 to be restated.

The most significant impact for the Group is the introduction of net interest on the net defined benefit liability, removing the expected return on assets and instead applying the discount rate to the plan assets as well as to the plan liabilities. The estimated net effect of applying the standard to next year's Financial Statements, based on current actuarial assumptions, is to increase the net finance cost by £8.8m.

Cash

Net funds as at 31 March 2013 were £143.0m (2012: £122.6m), made up as follows:

	2013 £m	2012 £m
Cash and cash equivalents	**201.5**	167.0
Loan notes receivable	**20.0**	25.1
Financial assets at fair value through profit or loss	**35.9**	35.0
Available-for-sale financial assets	**-**	6.1
Borrowings due within one year	**(59.8)**	(104.0)
Borrowings due after more than one year	**(49.3)**	-
Finance leases	**(5.3)**	(6.6)
Net funds	**143.0**	122.6

Cash generated from continuing operations was £82.9m (2012: £68.6m), representing 75.5% (2012: 62.1%) of underlying operating profit, and can be summarised as follows:

	2013 £m	2012 £m
EBITDA	**141.0**	172.9
Actuarial deficit funding	**(21.0)**	(26.0)
Movement in working capital	**(27.0)**	(31.1)
Movement in long term payables	**0.2**	(2.9)
Movement in provisions	**(4.7)**	(5.7)
Other non-cash items	**(5.6)**	(38.6)
Operating cash flow	**82.9**	68.6

The movement in non-cash items of £5.6m (2012: £38.6m) consists primarily of pension curtailment and settlement gains totalling £4.4m (2012: £33.3m).

Net tax paid amounted to £7.1m (2012: £11.0m).

Net capital expenditure in the year, including the purchase of computer software licences, amounted to £23.9m (2012: £19.2m).

Capital structure

As at 31 March 2013, the Group had shareholders' funds of £143.8m (2012: £119.4m) and the Company had shareholders' funds of £167.7m (2012: £167.8m).

The Company had 104.5m fully paid ordinary shares in issue at 31 March 2013 (2012: 104.5m). For further details, refer to note 14 to the Financial Statements.

Treasury policy and objectives

The Group's treasury function manages and monitors external funding and investment requirements and financial risks in support of the Group's corporate objectives. The Board reviews and agrees policies and authority levels for treasury activities.

The Group's financial instruments, other than derivatives, comprise borrowings, cash and liquid resources and various items, such as trade receivables and trade payables, which arise directly from its operations. The main purpose of these financial instruments is to finance the Group's activities. The Group also enters into derivative transactions, principally forward foreign currency contracts in order to manage foreign exchange risk on material commercial transactions undertaken in currencies other than the local functional currency.

The main risks arising from the Group's financial instruments are market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk, along with other risks arising from the financing of the Group's activities in the Public Private Partnership (PPP) and Private Finance Initiative (PFI) sectors.

The Group funds its ongoing activities through cash generated from its operations and, where necessary, external borrowings and finance leases. Utilisation of the Group's facilities is a consequence of prior year acquisitions. As at 31 March 2013 the Group had £113.3m of undrawn committed borrowing facilities available (2012: £35.4m).

There have been no significant changes to the Group's treasury policies during the year.

Critical accounting policies

The Group's principal accounting policies are described in note 1 to the Financial Statements. The Financial Statements for the year ended 31 March 2013 have been prepared under International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 Group's businesses and joint ventures 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 upon consolidation. 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, including recoverability of receivables, goodwill impairment and defined benefit pension schemes.

Contract accounting

The Group's contract accounting policy is central to how the Group values the work it has carried out in each financial year.

This policy requires forecasts to be made on the projected outcomes 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 estimates calculated prove to be inaccurate, with a consequent effect on the reporting of results.

Defined benefit pension schemes

Accounting for pensions involves judgement about uncertain events in the future such as inflation, salary levels at retirement, longevity rates, rates of return on plan assets and discount rates. Assumptions in respect of pensions and post-employment benefits are set after consultation with independent qualified actuaries. Management believes the assumptions are appropriate. However, a change in the assumptions used would have an impact on the Group's results and net assets. Any differences between the assumptions and the actual outcome will affect results in future years. An estimate of the sensitivity to changes in key assumptions is disclosed in note 13.

Goodwill impairment

As set out in note 1 of the Financial Statements, 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), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Determining whether goodwill is impaired requires an estimation of the value in use 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 used are based on the Group's weighted average cost of capital adjusted to reflect the specific economic environment of the relevant CGU.

Taxation

The Group is subject to tax in a number of jurisdictions and judgement is required in determining the worldwide provision for income taxes. The Group provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

As set out in note 1, deferred tax is accounted for on temporary differences using the liability method, with deferred tax liabilities being provided for in full and deferred tax assets being recognised only to the extent that it is judged probable that future taxable profit will arise against which the temporary differences can be utilised.

Prof Dr Uwe Krueger **Chief executive officer**	**Heath Drewett** **Group finance director**

13 June 2013

Consolidated Income Statement for the year ended 31 March 2013

	Notes	**2013 £m**	2012 £m
Gross revenue (Group and share of joint ventures)		**1,775.5**	1,769.8
Revenue	2	**1,705.2**	1,711.1
Cost of sales		**(1,088.7)**	(1,097.1)
Gross profit		**616.5**	614.0
Administrative expenses		**(512.4)**	(476.8)
Operating profit	2	**104.1**	137.2
Comprising			
- Underlying operating profit		**109.8**	110.5
- Exceptional items	8	**4.3**	30.9

- Amortisation and impairment of acquired intangibles		**(10.0)**	(4.2)
		104.1	137.2
Profit on disposal of businesses/non-controlling interests	6	**4.5**	7.2
Share of post-tax profit from joint ventures	3	**3.8**	1.9
Profit before interest and tax		**112.4**	146.3
Finance income	4	**3.4**	4.1
Finance costs	4	**(12.5)**	(14.9)
Net finance costs	4	**(9.1)**	(10.8)
Profit before tax		**103.3**	135.5
Comprising			
- Underlying profit before tax		**104.5**	101.6
- Exceptional items	8	**4.3**	30.9
- Amortisation and impairment of acquired intangibles		**(10.0)**	(4.2)
- Profit on disposal of businesses/non-controlling interests		**4.5**	7.2
		103.3	135.5
Income tax expense	5	**(14.9)**	(28.7)
Profit for the year		**88.4**	106.8
Profit/(loss) attributable to:			
Owners of the parent		**88.7**	106.7
Non-controlling interests		**(0.3)**	0.1
		88.4	106.8
Earnings per share			
Basic earnings per share	10	**91.0p**	109.0p
Diluted earnings per share	10	**88.8p**	106.6p

Notes 1 to 17 below form part of the preliminary financial information.

Consolidated Statement of Comprehensive Income for the year ended 31 March 2013

	Notes	**2013 £m**	2012 £m
Profit for the year		**88.4**	106.8
Other comprehensive (expense)/income			
Actuarial (loss)/gain on post-employment benefit liabilities	13	**(42.9)**	24.9
Cash flow hedges		**1.0**	(2.4)
Change in value of available-for-sale financial assets		**(1.6)**	1.6
Net differences on exchange		**9.4**	0.8
Other comprehensive (expense)/income for the year net of tax		**(34.1)**	24.9
Total comprehensive income for the year		**54.3**	131.7
Attributable to:			
Owners of the parent		**54.6**	131.6
Non-controlling interests		**(0.3)**	0.1
Total comprehensive income for the year		**54.3**	131.7

The income tax relating to each component of other comprehensive income is disclosed in note 5c.

Notes 1 to 17 below form part of the preliminary financial information.

Consolidated Balance Sheet as at 31 March 2013

	Notes	**2013 £m**	2012 £m
Assets			
Non-current assets			
Goodwill	11	**211.4**	205.0
Other intangible assets	12	**39.6**	46.3
Property, plant and equipment		**50.7**	51.5
Investments in joint ventures	3b	**7.1**	3.5
Deferred income tax assets		**92.2**	84.2
Derivative financial instruments		**0.3**	0.3
Other receivables		**20.0**	18.2
		421.3	409.0
Assets of disposal group classified as held for sale	7	**5.8**	6.9
Current assets			
Inventories		**0.2**	1.1
Trade and other receivables		**449.2**	445.3
Financial assets at fair value through profit or loss		**35.9**	35.0
Available-for-sale financial assets		**-**	6.1
Cash and cash equivalents		**201.5**	167.0
Derivative financial instruments		**0.5**	0.4
		687.3	654.9
Liabilities			
Current liabilities			
Borrowings		**(59.8)**	(105.7)
Trade and other payables		**(486.7)**	(506.1)

Derivative financial instruments		**(1.4)**	(1.7)
Current income tax liabilities		**(40.5)**	(34.3)
Provisions for other liabilities and charges		**(1.5)**	(3.6)
		(589.9)	(651.4)
Liabilities of disposal group classified as held for sale	7	**(5.2)**	(0.1)
Net current assets		**98.0**	10.3
Non-current liabilities			
Borrowings		**(49.4)**	(4.9)
Provisions for other liabilities and charges		**(4.4)**	(6.8)
Post-employment benefit liabilities	13	**(298.8)**	(265.3)
Derivative financial instruments		**(1.3)**	(2.5)
Deferred income tax liabilities		**(20.1)**	(18.8)
Other non-current liabilities		**(1.5)**	(1.6)
		(375.5)	(299.9)
Net assets		**143.8**	119.4
Capital and reserves			
Ordinary shares	14	**0.5**	0.5
Share premium account		**62.4**	62.4
Merger reserve		**8.9**	8.9
Retained earnings		**72.2**	47.5
Equity attributable to owners of the parent		**144.0**	119.3
Non-controlling interests		**(0.2)**	0.1
Total equity		**143.8**	119.4

Notes 1 to 17 below form part of the preliminary financial information.

Consolidated Cash Flow Statement for the year ended 31 March 2013

	Notes	**2013 £m**	2012 £m
Cash flows from operating activities			
Cash generated from operations	15	**82.9**	68.6
Interest received		**2.6**	3.9
Interest paid		**(3.2)**	(2.5)
Income tax paid		**(7.1)**	(11.0)
Net cash generated from operating activities		**75.2**	59.0
Cash flows from investing activities			
Acquisitions of subsidiaries			
- consideration		**-**	(14.6)
- cash acquired		**-**	0.9
Deferred consideration payments		**-**	(0.8)
Loans to other related parties		**(1.8)**	(4.9)
Purchases of property, plant and equipment		**(18.3)**	(15.0)
Proceeds from disposals of property, plant and equipment		**0.5**	0.9
Proceeds from disposals of investments in businesses/non-controlling interests	6	**15.1**	5.2
Payments associated with disposal of businesses		**(2.1)**	(2.2)
Purchases of financial assets		**(0.2)**	(0.3)
Proceeds from disposal of financial assets		**7.5**	-
Purchases of intangible assets		**(6.1)**	(5.1)
Net cash used in investing activities		**(5.4)**	(35.9)
Cash flows from financing activities			
Proceeds of new debt		**47.5**	65.3
Repayment of bank loans		**(47.5)**	(5.0)
Finance lease principal payments		**(1.8)**	(2.1)
Purchase of own shares by employee benefit trusts		**(7.0)**	(7.0)
Equity dividends paid to shareholders	9	**(30.0)**	(28.7)
Net cash (used in)/generated from financing activities		**(38.8)**	22.5
Net increase in cash and cash equivalents		**31.0**	45.6
Cash and cash equivalents at beginning of year		**167.0**	121.5
Exchange movements		**3.5**	(0.1)
Cash and cash equivalents at end of year	16	**201.5**	167.0

Notes 1 to 17 below form part of the preliminary financial information.

Consolidated Statement of Changes in Equity as at 31 March 2013

	Attributable to owners of the parent					
	Ordinary shares £m	**Share premium account £m**	**Merger reserve £m**	**(Accumulated losses)/ retained earnings £m**	**Non-controlling interests £m**	**Total £m**
Balance at 1 April 2011	0.5	62.4	8.9	(55.5)	-	16.3

Profit for the year	-	-	-	106.7	0.1	106.8
Comprehensive income for the year	-	-	-	24.9	-	24.9
Total comprehensive income for the year	-	-	-	131.6	0.1	131.7
Dividends to owners of the parent	-	-	-	(28.7)	-	(28.7)
Share-based payments	-	-	-	6.4	-	6.4
Tax credit relating to share option scheme	-	-	-	0.7	-	0.7
Employee benefit trusts	-	-	-	(7.0)	-	(7.0)
Total contributions by and distributions to owners of the parent, recognised directly in equity	-	-	-	(28.6)	-	(28.6)
Balance at 31 March 2012	0.5	62.4	8.9	47.5	0.1	119.4
Profit/(loss) for the year	**-**	**-**	**-**	**88.7**	**(0.3)**	**88.4**
Comprehensive expense for the year	**-**	**-**	**-**	**(34.1)**	**-**	**(34.1)**
Total comprehensive income/(expense) for the year	**-**	**-**	**-**	**54.6**	**(0.3)**	**54.3**
Dividends to owners of the parent	**-**	**-**	**-**	**(30.0)**	**-**	**(30.0)**
Share-based payments	**-**	**-**	**-**	**6.5**	**-**	**6.5**
Tax credit relating to share option scheme	**-**	**-**	**-**	**0.6**	**-**	**0.6**
Employee benefit trusts	**-**	**-**	**-**	**(7.0)**	**-**	**(7.0)**
Total contributions by and distributable to owners of the parent, recognised directly in equity	**-**	**-**	**-**	**(29.9)**	**-**	**(29.9)**
Balance at 31 March 2013	**0.5**	**62.4**	**8.9**	**72.2**	**(0.2)**	**143.8**

The merger reserve relates to the issue of shares in respect of previous acquisitions.

Notes 1 to 17 below form part of the preliminary financial information.

Notes to the preliminary financial information for the year ended 31 March 2013

1. Basis of preparation and accounting policies

The financial information attached has been extracted from the audited Consolidated Financial Statements of WS Atkins plc for the year ended 31 March 2013 and has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations issued and effective at the time of preparing those Financial Statements, and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information for the years ended 31 March 2013 and 31 March 2012 does not constitute a summary financial statement or statutory accounts as described and/or defined in Sections 428 and 434 respectively of the Companies Act 2006 for those years. The Annual Report and Financial Statements for the year ended 31 March 2013 were approved by the Board of directors on 12 June 2013, together with this announcement, but have not yet been delivered to the Registrar of Companies (the Registrar). The auditor's report on the Financial Statements for both years was unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006. The Financial Statements for the year ended 31 March 2012 have been delivered to the Registrar.

The principal accounting policies adopted under IFRS and applied in the preparation of the Financial Statements are available on the Group's website, www.atkinsglobal.com.

2. Segmental information

The chief operating decision-maker has been identified as the chief executive officer and the Group finance director. The chief executive officer and the Group finance director review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The chief executive officer and the Group finance director assess the performance of the operating segments based on operating profit before interest and tax. Information provided to the chief executive officer and the Group finance director is measured in a manner consistent with that in the Financial Statements.

a) Group business segments

Revenue and results

2013	**External revenue £m**	**Inter segment trade £m**	**Revenue £m**	**Operating profit £m**	**Operating margin %**	**Share of post-tax profit from joint ventures £m**
UK	**883.9**	**16.4**	**900.3**	**56.6**	**6.3**	**0.9**

North America	**388.7**	**1.0**	**389.7**	**15.3**	**3.9**	**0.5**
Middle East	**168.3**	**(6.1)**	**162.2**	**11.8**	**7.3**	**-**
Asia Pacific and Europe	**165.1**	**(0.3)**	**164.8**	**13.8**	**8.4**	**-**
Energy	**162.9**	**(11.0)**	**151.9**	**13.8**	**9.1**	**0.1**
Total for segments	**1,768.9**	**-**	**1,768.9**	**111.3**	**6.3**	**1.5**
Group items:						
Joint ventures reported above	**(63.7)**	**-**	**(63.7)**	**(1.5)**		**-**
Unallocated central items	**-**	**-**	**-**	**(5.7)**		**2.3**
Total for Group	**1,705.2**	**-**	**1,705.2**	**104.1**	**6.1**	**3.8**

2012	External revenue £m	Inter segment trade £m	Revenue £m	Operating profit £m	Operating margin %	Share of post-tax profit/(loss) from joint ventures £m
UK	814.1	45.8	859.9	51.6	6.0	2.4
North America	412.4	9.5	421.9	21.2	5.0	0.2
Middle East	226.2	(54.8)	171.4	16.8	9.8	-
Asia Pacific and Europe	162.1	1.4	163.5	11.9	7.3	-
Energy	130.3	(1.9)	128.4	11.4	8.9	-
Total for segments	1,745.1	-	1,745.1	112.9	6.5	2.6
Group items:						
Joint ventures reported above	(34.0)	-	(34.0)	(2.4)		-
Unallocated central items	-	-	-	26.7		(0.7)
Total for Group	1,711.1	-	1,711.1	137.2	8.0	1.9

Unallocated central items include £4.3m relating to a pension curtailment gain, see note 13, and £10.0m of intangible asset amortisation and impairment relating to the acquisition of The PBSJ Corporation (PBSJ), see note 12 (2012: £30.9m relating to the pension curtailment gain and £4.2m of intangible asset amortisation relating to the acquisition of The PBSJ Corporation).

Total segment revenue excludes the share of joint venture revenue earned from centrally managed joint ventures of £6.6m (2012: £24.7m).

Reconciliation of segmental analysis to profit for the year attributable to owners of the parent and non-controlling interests:

	2013 £m	2012 £m
Operating profit	**104.1**	137.2
Profit on disposal of businesses/non-controlling interests	**4.5**	7.2
Share of post-tax profit from joint ventures	**3.8**	1.9
Profit before interest and tax	**112.4**	146.3
Finance income	**3.4**	4.1
Finance costs	**(12.5)**	(14.9)
Net finance costs	**(9.1)**	(10.8)
Profit before tax	**103.3**	135.5
Income tax expense	**(14.9)**	(28.7)
Profit for the year	**88.4**	106.8
Profit/(loss) attributable to:		
Owners of the parent	**88.7**	106.7
Non-controlling interests	**(0.3)**	0.1
	88.4	106.8

Balance sheet

2013	**Total segment assets £m**	**Total segment liabilities £m**	**Net assets/ (liabilities) £m**	**Investments in joint ventures £m**	**Capital expenditure £m**	**Depreciation, amortisation, impairment £m**
UK	**510.0**	**(288.2)**	**221.8**	**3.8**	**15.1**	**10.0**
North America	**313.1**	**(86.0)**	**227.1**	**0.7**	**2.5**	**5.1**
Middle East	**105.1**	**(57.7)**	**47.4**	**-**	**2.9**	**1.1**
Asia Pacific and Europe	**96.1**	**(72.3)**	**23.8**	**-**	**3.6**	**1.9**
Energy	**73.4**	**(30.3)**	**43.1**	**(0.1)**	**0.5**	**0.5**
Total for segments	**1,097.7**	**(534.5)**	**563.2**	**4.4**	**24.6**	**18.6**
Group items:						
Unallocated central items	**16.7**	**(436.1)**	**(419.4)**	**2.7**	**-**	**10.0**
Total for Group	**1,114.4**	**(970.6)**	**143.8**	**7.1**	**24.6**	**28.6**

Restated 2012	Total segment assets £m	Total segment liabilities £m	Net assets/ (liabilities) £m	Investments in joint Ventures £m	Capital expenditure £m	Depreciation & amortisation £m
UK	440.3	(292.1)	148.2	3.1	12.2	11.9
North America	310.1	(92.1)	218.0	0.4	4.6	6.1

Middle East	139.0	(77.7)	61.3	-	2.3	1.9
Asia Pacific and Europe	94.3	(73.8)	20.5	-	2.1	1.8
Energy	63.6	(23.5)	40.1	-	12.9	0.7
Total for segments	1,047.3	(559.2)	488.1	3.5	34.1	22.4
Group items:						
Unallocated central items	23.5	(392.2)	(368.7)	-	-	4.2
Total for Group	1,070.8	(951.4)	119.4	3.5	34.1	26.6

During the year the Group reviewed the basis of allocating assets and liabilities to the operating segments. As a result, assets and liabilities are now allocated based on the operations of the segments and the physical location or territory of the asset or liability. The segment assets and liabilities at 31 March 2012 have been restated to reflect these revised allocations.

Group cash balances; derivative financial instruments; financial assets at fair value through profit or loss; centrally managed joint ventures; and corporate assets are not considered to be segment assets as they are managed centrally. Consequently they are shown within unallocated central items.

Post-employment benefit liabilities; bank loans and private placement debt; derivative financial instruments; central tax provisions; and corporate liabilities are not considered to be segment liabilities as they are managed centrally. Consequently they are shown within unallocated central items.

Capital expenditure includes additions to goodwill, other intangible assets and property, plant and equipment.

b) Group geographical segments

External revenue is measured by location of operation. There was no material difference between geographic revenue by location of operation and by location of customer.

The Group considers the United Kingdom (UK) to be its country of domicile. Outside the United Kingdom, only the Group's business in the United States contributes more than 10% of the Group's revenue or non-current assets.

		Revenue		Non-current assets
	2013	2012	**2013**	2012
	£m	£m	**£m**	£m
UK	**918.8**	881.2	**86.0**	109.2
United States	**399.2**	437.4	**196.1**	198.7
Other	**387.2**	392.5	**46.7**	16.6
Total for Group	**1,705.2**	1,711.1	**328.8**	324.5

Non-current assets exclude deferred tax assets and derivative financial instruments.

c) Major customers

Revenue from the UK Government represents approximately £206.5m (2012: £180.8m) of the Group's total revenue and is included within the UK and Energy operating segments.

3. Joint ventures

a) Share of post-tax profit from joint ventures

	2013	2012
	£m	£m
Revenue	**70.3**	58.7
Operating expenditure	**(66.1)**	(55.6)
Operating profit	**4.2**	3.1
Finance income	**-**	4.8
Finance costs	**-**	(5.3)
Profit before tax	**4.2**	2.6
Income tax expense	**(0.4)**	(0.7)
Share of post-tax profit from joint ventures	**3.8**	1.9

b) Investments in joint ventures

	2013	2012
	£m	£m
Non-current assets		
Property, plant and equipment	**-**	1.6
Other non-current assets	**-**	0.1
	-	1.7
Current assets		
Cash and cash equivalents	**12.8**	4.3
Other current assets	**31.9**	28.0
	44.7	32.3
Current liabilities		
Trade and other payables	**(36.4)**	(26.5)
	(36.4)	(26.5)
Non-current liabilities		
Other non-current liabilities	**(1.2)**	(4.0)
	(1.2)	(4.0)
Share of net assets	**7.1**	3.5
Investments in joint ventures	**7.1**	3.5

The Group's principal joint ventures are detailed in the Consolidated Financial Statements, which are available on the Group's website, www.atkinsglobal.com.

The joint ventures have no capital commitments (2012: none).

4. Net finance costs

	2013 £m	2012 £m
Interest payable on borrowings	**3.2**	1.9
Interest payable on finance lease liabilities	**0.3**	0.4
Unwinding of discount	**0.1**	0.3
Net finance costs on post-employment benefit liabilities (note 13)	**8.1**	11.5
Other finance costs	**0.8**	0.8
Finance costs	**12.5**	14.9
Interest receivable on short term deposits	**(1.1)**	(0.9)
Interest Income on financial assets at fair value through profit or loss	**(0.7)**	(0.8)
Income on available-for-sale financial assets	**(0.3)**	(0.4)
Interest receivable on loan notes	**(1.3)**	(2.0)
Finance income	**(3.4)**	(4.1)
Net finance costs	**9.1**	10.8

Finance income of £1.4m arising on loan notes receivable from Lambert Smith Hampton Acquisition Limited (LSH) has been provided against in full within interest receivable on loan notes. Full details of loan notes receivable are detailed in the Consolidated Financial Statements, which are available on the Group's website, www.atkinsglobal.com.

5. Income tax expense

a) Analysis of charge in the year

	2013 £m	Restated 2012 £m
Current income tax:		
- current year	**15.0**	13.5
- adjustment in respect of prior years	**(3.6)**	(2.5)
Deferred income tax		
- origination and reversal of temporary differences	**2.2**	15.2
- effect of changes in tax rates	**1.3**	2.5
Income tax on profit per income statement	**14.9**	28.7
Adjust for:		
- taxation on profit on disposal of businesses/non-controlling interests	**0.4**	(0.4)
- taxation on exceptional items	**(1.0)**	(7.3)
- tax on amortisation and impairment of acquired intangibles	**3.9**	1.4
Underlying income tax expense	**18.2**	22.4
Profit before tax per income statement	**103.3**	135.5
Adjust for:		
- profit on disposal of businesses/non-controlling interests	**(4.5)**	(7.2)
- amortisation and impairment of acquired intangibles	**10.0**	4.2
- exceptional items	**(4.3)**	(30.9)
Underlying profit before income tax	**104.5**	101.6
Effective income tax rate	**14.4%**	21.2%
Underlying effective income tax rate	**17.4%**	22.0%

During the year, the Group has reassessed the presentation of the current income tax charge/(credit) between current year and adjustments in respect of prior years, reclassifying £13.4m in 2012 between these lines. There is no change to the total current income tax charge.

b) Factors affecting income tax rate

The income tax rate for the year is lower (2012: lower) than the standard rate of corporation tax in the UK of 24% (2012: 26%). The differences are explained below:

	2013 %	2012 %
UK statutory income tax rate	**24.0**	26.0
Increase/(decrease) resulting from:		
Expenses not deductible for tax purposes	**0.2**	0.6
Adjustment in respect of overseas tax rates	**(0.2)**	(0.5)
Effect of share-based payments	**0.3**	0.4
Tax on joint ventures	**(1.3)**	(0.4)
Research and development tax credits	**(5.6)**	(3.8)
Losses not recognised for tax	**(3.5)**	(3.1)
Effect of change in tax rates	**1.3**	1.8
Other	**(0.8)**	0.2
Effective income tax rate	**14.4**	21.2

The underlying income tax rate for the year is lower (2012: lower) than the standard rate of corporation tax in the UK of 24% (2012: 26%). The differences are explained below:

	2013 %	2012 %
UK statutory income tax rate	**24.0**	26.0
Increase/(decrease) resulting from:		
Expenses not deductible for tax purposes	**1.6**	2.3
Adjustment in respect of overseas tax rates	**1.2**	(0.4)
Effect of share-based payments	**0.3**	0.6
Tax on joint ventures	**(1.3)**	(0.5)
Research and development tax credits	**(5.6)**	(5.2)
Losses not recognised for tax	**(3.5)**	(4.1)
Effect of change in tax rates	**1.3**	3.1
Other	**(0.6)**	0.2
Underlying effective income tax rate	**17.4**	22.0

c) Income tax on components of other comprehensive income

2013	**Post-employment benefit liability £m**	**Cash flow hedges £m**	**Total £m**
At 1 April	**40.8**	**0.5**	**41.3**
Deferred income tax	**9.9**	**-**	**9.9**
Current income tax	**-**	**(0.3)**	**(0.3)**
At 31 March	**50.7**	**0.2**	**50.9**

2012	Post-employment benefit liability £m	Cash flow hedges £m	Total £m
At 1 April	54.2	(0.2)	54.0
Deferred income tax	(13.4)	0.7	(12.7)
At 31 March	40.8	0.5	41.3

6. Profit on disposal of businesses/non-controlling interests

	2013 £m
Profit on disposal of non-controlling interests	
RMPA Holdings Limited	**7.6**
UK Specialist Hospitals Limited	**0.2**
Profit/(transaction costs incurred) on disposal of businesses	
UK highways services	**(3.8)**
Atkins Facilities Management Limited	**0.5**
At 31 March	**4.5**

Profit on disposal of non-controlling interests

RMPA Holdings Limited

On 4 May 2012 the sale of the Group's non-controlling interest (14%) in RMPA Holdings Limited to subsidiary undertakings of HICL Infrastructure Company Limited was completed. HICL Infrastructure Company Limited is the ultimate parent company of an existing shareholder. The interest was sold for a net cash consideration of £14.4m. The profit on disposal before tax was £7.6m and the profit on disposal after tax was £7.7m.

The disposal of the non-controlling interest has not been reported as a discontinued operation at 31 March 2013 or 2012 as it does not represent a major line of business.

UK Specialist Hospitals Limited

On 20 February 2013 the sale of the Group's investment in UK Specialist Hospitals Limited to Care UK Clinical Services Limited was completed. The investment was sold for a cash consideration of £0.2m. The profit on disposal was £0.2m.

Profit on disposal of businesses

UK highways services

As detailed in note 7, the assets and liabilities relating to the Group's UK highways services business, which forms part of the UK Highways and Transportation business, have been presented as held for sale following the exchange of contracts on 27 February 2013 which formed an agreement to dispose of the business to Skanska Construction UK Limited, a wholly owned subsidiary of Skanska AB. The transaction had not completed at 31 March 2013, however disposal costs of £3.8m had been incurred at that date, comprising transaction costs of £2.4m and restructuring costs of £1.4m. Further details regarding this transaction are given in note 7.

Atkins Facilities Management Limited

In the prior year, on 30 November 2011, the sale of Atkins Facilities Management Limited (AFML) to Sodexo Limited, a wholly owned subsidiary of Sodexo S.A. was completed. Sodexo S.A. is a multinational provider of on-site service solutions and is listed on the Paris Bourse. The business was sold for a cash consideration of £5.2m, together with a deferred conditional amount of £0.5m. The profit on disposal recognised at 31 March 2012 is shown below.

The disposal of AFML was not reported as a discontinued operation at 31 March 2012 as it did not represent a major line of business.

AFML was reported in the UK operating segment (note 2).

2012	£m
Net consideration received or receivable at date of disposal	
Initial cash consideration	**5.0**
Cash working capital adjustment	**0.2**
Fair value of deferred consideration	**-**
Disposal consideration	**5.2**
Assets and liabilities at date of disposal	
Property, plant and equipment	**0.1**
Intangible assets	**0.1**
Trade and other receivables	**6.1**
Trade and other payables	**(7.3)**
Provisions for other liabilities and charges	**(3.4)**
Other non-current liabilities	**(0.5)**
Net liabilities	**(4.9)**
Profit on disposal before costs	**10.1**
Disposal costs incurred	**(2.9)**
Profit on disposal	**7.2**

During the year ended 31 March 2013, deferred conditional consideration of £0.5m was received. This amount is included within profit on disposal of businesses/non-controlling interests in the Consolidated Income Statement.

7. Assets held for sale

UK highways services

The assets and liabilities relating to the Group's UK highways services business, which forms part of the UK Highways and Transportation business, have been presented as held for sale following the exchange of contracts on 27 February 2013 which formed an agreement to dispose of the business to Skanska Construction UK Limited, a wholly owned subsidiary of Skanska AB. The transaction is expected to complete in the summer.

The Group will receive net cash consideration of up to £18m, of which £16m is due on completion and a further £2m is to be deferred and paid subject to the future performance of the business.

Whilst the assets and liabilities of the UK highways services business represent a disposal group, the business is not reported as a discontinued operation at 31 March 2013 as it does not represent a major line of business.

The UK highways services business is reported in the UK operating segment (note 2).

The major classes of assets and liabilities of the disposal group in 2013 are as follows:

	£m
Assets classified as held for sale:	
Property, plant and equipment	**5.0**
Inventories	**0.8**
Total assets of the disposal group	**5.8**
Liabilities directly associated with assets classified as held for sale:	
Borrowings	**(5.2)**
Total liabilities of the disposal group	**(5.2)**
Total net assets of the disposal group	**0.6**

The profit on disposal will be reported in the Group's Financial Statements for the year ending 31 March 2014.

RMPA Holdings Limited

In the year ended 31 March 2012, the Group presented the assets and liabilities relating to the Group's non-controlling interest in RMPA Holdings Limited as held for sale following the exchange of contracts on 9 March 2012. The transaction completed on 4 May 2012 and the profit on disposal is shown in note 6.

RMPA Holdings Limited delivered the Colchester Garrison PFI project and the sale was to a subsidiary undertaking of HICL Infrastructure Company Limited, the ultimate parent company of an existing shareholder, for a net consideration of £14.4m which comprised a gross consideration of £15.0m less £0.6m in respect of amounts previously received under loan notes.

Whilst the assets and liabilities of the non-controlling interest represent a disposal group, the disposal of the non-controlling interest has not been reported as a discontinued operation at 31 March 2013 or 2012 as it does not represent a major line of business.

The Group's non-controlling interest in RMPA Holdings Limited was reported as a centrally managed joint venture and not allocated to an operating segment, see note 2.

The major classes of assets and liabilities of the disposal group are as follows:

	£m
Assets classified as held for sale:	
Loan notes receivable	6.8
Trade and other receivables	0.1
Total assets of the disposal group	6.9
Liabilities directly associated with assets classified as held for sale:	

Share of joint venture liabilities	(0.1)
Total liabilities of the disposal group	(0.1)
Total net assets of the disposal group	6.8

8. Exceptional items

Exceptional items are disclosed separately on the face of the Consolidated Income Statement and in the notes to the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items of income or expense that have been shown separately due to the significance of their nature or amount.

An analysis of the amount presented as an exceptional item is given below:

	2013 **£m**	2012 £m
Curtailment gain relating to one-off pension event (note 13)	**4.3**	30.9

The curtailment gain is included within administrative expenses in the Group's Consolidated Income Statement.

9. Dividends

	2013 **pence**	2012 pence	**2013** **£m**	2012 £m
Final dividend paid for the year ended 31 March 2012 (2011)	**20.75**	19.50	**20.3**	19.2
Interim dividend paid for the year ended 31 March 2013 (2012)	**10.00**	9.75	**9.7**	9.5
Dividends recognised in the year	**30.75**	29.25	**30.0**	28.7
Interim dividend paid for the year ended 31 March 2013 (2012)	**10.00**	9.75	**9.7**	9.5
Final dividend proposed for the year ended 31 March 2013 (2012)	**22.00**	20.75	**21.4**	20.2
Dividends relating to the year	**32.00**	30.50	**31.1**	29.7

The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these Financial Statements.

As at 31 March 2013, one Employee Benefit Trust (EBT) had an agreement in place to waive dividends in excess of 0.01 pence per share on 213,461 ordinary shares (2012: 213,461). A separate EBT also had an agreement in place as at 31 March 2013 to waive future dividends in their entirety on 2,618,276 ordinary shares (2012: 2,398,078). These arrangements reduced the dividends paid in year by £0.8m (2012: £0.6m).

As at 31 March 2013, 4,341,000 ordinary shares (2012: 4,341,000) were held by the Group as treasury shares on which no dividends are paid. These shares reduced the dividends paid in year by £1.3m (2012: £1.3m).

10. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year, excluding shares held by the EBTs which have not unconditionally vested in the employees and shares held in treasury.

Diluted earnings per share is the basic earnings per share after allowing for the dilutive effect of the conversion into ordinary shares of the number of options outstanding during the year. The options relate to discretionary employee share plans.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

	2013 **No. (000)**	2012 No. (000)
Number of shares		
Weighted average number of shares used in basic and underlying basic EPS	**97,425**	97,891
Effect of dilutive securities - share options	**2,412**	2,196
Weighted average number of shares used in diluted and underlying diluted EPS	**99,837**	100,087

	2013 **£m**	2012 £m
Earnings		
Profit for the year attributable to owners of the parent	**88.7**	106.7
Profit on disposal of businesses/non-controlling interests (net of tax) (note 6)	**(4.9)**	(6.8)
Exceptional pension curtailment gain (net of tax) (note 8)	**(3.3)**	(23.6)
Amortisation and impairment of acquired intangibles (net of tax)	**6.1**	2.8
Underlying earnings	**86.6**	79.1

	pence	pence
Basic earnings per share	**91.0**	109.0
Diluted earnings per share	**88.8**	106.6
Underlying basic earnings per share	**88.9**	80.8
Underlying diluted earnings per share	**86.7**	79.0

11. Goodwill

	2013 **£m**	2012 £m
Cost at 1 April	**213.4**	200.4

Additions	**-**	12.0
Difference on exchange	**6.8**	1.0
Cost at 31 March	**220.2**	213.4
Aggregate impairment at 1 April	**8.4**	8.4
Difference on exchange	**0.4**	-
Aggregate impairment at 31 March	**8.8**	8.4
Net book value at 31 March	**211.4**	205.0

Impairment test for goodwill

Goodwill is not amortised but is tested for impairment in accordance with IAS 36, *Impairment of assets*, at least annually or more frequently if events or changes in circumstances indicate a potential impairment.

Goodwill is allocated to the Group's CGU, or group of CGUs, that management has identified in order to carry out impairment tests. The following is a summary of goodwill allocation by CGU or group of CGUs, summarised at the operating segment level:

	2013 £m	2012 £m
UK	**30.6**	30.6
North America	**141.8**	136.4
Asia Pacific and Europe	**14.9**	14.3
Energy	**24.1**	23.7
Total	**211.4**	205.0

The impairment test involves comparing the carrying value of the CGU or group of CGUs to which goodwill has been allocated to their recoverable amount. The recoverable amount of all CGUs has been determined based on value in use calculations. An impairment loss is recognised immediately when the carrying value of those assets exceeds their recoverable amount.

Recoverable amount

Value in use calculations

Methodology

The value in use calculations use cash flow projections based on the following financial year's budget approved by the Board, which is based on past performance and management's expectations of market developments. The key assumptions in the budget relate to revenue and profit margins. Budgeted revenue is based on management's knowledge of actual results from prior years, along with the existing committed and contracted workload, as well as management's future expectations of the level of work available within the market. Profit margins are based on current margins being achieved in conjunction with economic conditions in the market or country of operation.

The cash flow projections from that budget are extrapolated for the next four years using an estimated growth rate and projected margin. Growth rates of 1.5% and 3.3% are based on the economic environment for the country in which the CGU operates. As required by IAS 36, cash flows beyond the five year period are extrapolated based on the long term average growth rate for the primary country in which the CGU operates of between 1.7% and 3.3%. The growth rates are derived from the International Monetary Fund's World Economic Outlook published Gross Domestic Product (GDP) growth rates. Projected margins reflect the historical and budgeted performance of the CGU. The projections do not include the impact of future restructuring projects to which the Group is not yet committed.

The cash flows have been discounted using the CGUs specific pre-tax discount rates of between 7.7% to 15.2%. The discount rates have been calculated based on the Group's weighted average cost of capital using the capital asset pricing model to determine the cost of equity and risks specific to the CGU. The discount rates are revised annually using updated market information.

Assumptions

The growth rate and discount rate assumptions used for the internal value in use calculations are as follows:

	2013	2012
Five year growth rate	**1.5% - 3.3%**	0% - 5%
Post five year growth rate	**1.7% - 3.3%**	0% - 5%
Pre-tax discount rate	**7.7% - 15.2%**	14%

Sensitivities

Goodwill of £141.8m (2012: £136.4m) allocated to the North America operating segment includes £134.4m of goodwill arising on the acquisition of PBSJ. This goodwill has been allocated to the Atkins North America group of CGUs and is considered significant in comparison with the Group's total carrying amount of goodwill. The recoverable amount of this group of CGUs has been determined using an internal value in use calculation. The growth rate and discount rate assumptions used for this calculation are as follows:

	2013	2012
Five year growth rate	**3.3%**	3%
Post five year growth rate	**3.3%**	3%
Pre-tax discount rate	**12.4%**	12%

The carrying amount of intangible assets with indefinite useful lives allocated to the Atkins North America group of CGUs for the purposes of the impairment test is £nil (2012: £2.4m).

Given the materiality of goodwill allocated to the Atkins North America group of CGUs, together with the relative headroom derived by the calculations, sensitivity analysis has been performed on the key assumptions used in the value in use calculations. The two assumptions to which these calculations are most sensitive are the projected profit margin and the discount rate. Specific sensitivity analysis with regard to these assumptions shows that, with respect to profit margin, it would need to fall by 160 basis points before any impairment would be triggered, and similarly the pre-tax discount rate would need to increase from 12.4% to 14.9%.

For the other CGUs, management has considered the level of headroom resulting from the impairment tests. Where appropriate, further sensitivity analysis has been performed by changing the base case assumptions applicable to each CGU. The analysis has indicated that no reasonably possible changes in any individual key assumption would cause the carrying amount of the business to exceed its recoverable amount.

As at 31 March 2013 and 2012, based on these internal valuations, the recoverable value of goodwill required no impairment.

12. Other intangible assets

Net book value	Acquired customer relationships £m	Corporate information systems £m	Trade names and trademarks £m	Software licences £m	Total £m
At 31 March 2013	**29.2**	**-**	**-**	**10.4**	**39.6**
At 31 March 2012	33.3	-	4.8	8.2	46.3

Included with trade names and trademarks are costs of £0.2m (2012: £0.2m) in respect of intellectual property rights. These costs were fully amortised at 31 March 2013 and 2012.

Included within acquired customer relationships are costs of £5.4m (2012: £5.4m) in respect of backlog orders, arising from the acquisition of PBSJ on 1 October 2010. At 31 March 2013, the net book value of these backlog orders is £0.1m (2012: £0.6m) and their remaining amortisation life is 0.5 years. The remaining amortisation life of the other assets included within acquired customer relationships is 16.5 years.

The carrying amount of acquired customer relationships and trade names and trademarks relating to Peter R. Brown Construction, Inc., a wholly owned subsidiary of the Group, have been reduced to recoverable amounts of £nil following an impairment review. Impairment charges of £2.6m and £4.8m have been recognised respectively. These impairment charges have been included in administrative expenses in the Consolidated Income Statement. Peter R. Brown Construction, Inc. is included within the Group's North America operating segment. The recoverable amounts of Peter R. Brown Construction, Inc.'s intangible assets were based on their value in use. The post-tax discount rate used in the value in use calculation was 9.3% (2012: 9.0%).

The amortisation charge for the year of £6.6m (2012: £9.5m) is included in administrative expenses in the Consolidated Income Statement.

13. Post-employment benefit liabilities

The Group's post-employment benefit liabilities are analysed below:

	2013 £m	2012 £m
Retirement benefit liabilities	**285.2**	251.1
Other post-employment benefit liabilities	**13.6**	14.2
	298.8	265.3

(a) Retirement benefit liabilities

The Group operates both defined benefit and defined contribution pension schemes. The two main defined benefit schemes are the Atkins Pension Plan (the Plan) and the Railways Pension Scheme, both of which are funded final salary schemes. The assets of both schemes are held in separate trustee-administered funds. Other pension schemes include the Atkins McCarthy Pension Plan in the Republic of Ireland, which is a final salary funded defined benefit scheme, and a range of defined contribution schemes or equivalent.

The Plan is closed to the future accrual of benefit; all defined benefit members of the Plan were transferred to a defined contribution section for future service where it was clear they did not benefit from a statutory or contractual right to a final salary pension.

In the prior year, Atkins Limited undertook an enhanced transfer value (ETV) exercise for deferred members of the Plan. The exercise gave rise to a settlement gain under IAS 19 in respect of those members who transferred out their benefits. The Plan recognised a net settlement gain of £0.1m in respect of the ETV exercise for the year ended 31 March 2013. This is to allow for the difference between the expected impact of the exercise already included in the 31 March 2012 disclosures and the actual impact of the exercise. The settlement gain of £0.1m is based on the transfer out of the plan of a further £1.3m of assets and corresponding liabilities of £1.4m in respect of those members.

On 1 February 2012 and following a consultation programme with employees who are members of the Plan, Atkins Limited (the Group's principal UK employing company) removed the link between individual employees' accrued pension and future increases in salary via contractual amendment. The reduction in the past service liability is £30.9m and this has been recognised as a curtailment gain in the year ended 31 March 2012.

The Railways Pension Scheme recognised a curtailment gain in the year ended 31 March 2013 in respect of the two new benefit bases that came into effect for certain members from 1 January 2013. The curtailment gain arose for members moving from the existing uncapped salary category or retail price index (RPI) capped salary category to the new consumer price index (CPI) capped category. The reduction in the past service liability for this curtailment is £4.3m and this has been recognised as a curtailment gain in the year ended

31 March 2013.

The Atkins McCarthy Pension Plan was closed to future accrual of benefits for members who do not benefit from a statutory or contractual right to a final salary pension on 31 March 2009. These members transferred to the Personal Retirement Savings Accounts - Ireland (PRSA - Irish Life) scheme with effect from 1 April 2009.

The defined benefit sections of all pension schemes are closed to new entrants, who are offered membership of the defined contribution section.

The main assumptions used for the IAS 19 valuation of the retirement benefit liabilities for the Atkins Pension Plan and the Railways Pension Scheme are listed in the table below:

	2013	2012
Price inflation		
RPI	**3.40%**	3.30%
CPI	**2.40%**	2.30%
Rate of increase of pensions in payment		
Limited Price Indexation (RPI-based)	**3.10%**	3.30%
Limited Price Indexation (CPI-based)	**2.40%**	2.30%
Limited Price Indexation to 2.5%	**2.50%**	2.50%
Fixed	**5.00%**	5.00%
Rate of increase in salaries		
Atkins Pension Plan	**4.90%**	4.80%
Railways Pension Scheme (uncapped)	**5.65%**	5.55%
Railways Pension Scheme (RPI capped)	**3.40%**	3.30%
Railways Pension Scheme (CPI capped)	**2.40%**	n/a
Rate of increase for deferred pensioners		
Atkins Pension Plan	**3.40%**	3.30%
Railways Pension Scheme	**2.40%**	2.30%
Discount rate	**4.60%**	5.20%
Expected rate of return on plan assets	**5.70%**	6.30%
Longevity at age 65 for current pensioners		
Men	**24.0 years**	23.8 years
Women	**25.9 years**	25.7 years
Longevity at age 65 for future pensioners (current age 45)		
Men	**26.2 years**	26.1 years
Women	**28.2 years**	28.1 years

The actuarial tables used to calculate the retirement benefit liabilities for the Plan were the Self-Administered Pension Schemes (SAPS) tables, with medium cohort improvements from 2002 to 2009 and a scaling factor of 0.85/0.90 for males/females respectively. Future improvements are based on CMI improvements with a 1.5% per annum improvement trend, based on year of use application. The Railways Pension Scheme results have been adjusted on an approximate basis to be based on the same mortality tables.

The components of the pension cost are as follows:

	2013 £m	2012 £m
Current service cost	**2.2**	3.3
Curtailment gain	**(4.3)**	(31.5)
Settlement gain (net)	**(0.1)**	(1.8)
Total credit	**(2.2)**	(30.0)
Finance costs/(income)		
Interest cost	**68.1**	70.9
Expected return on plan assets	**(60.7)**	(60.0)
Net finance costs	**7.4**	10.9
Total charge/(credit) to income statement for defined benefit schemes	**5.2**	(19.1)
Charge for defined contribution schemes	**32.8**	31.0
Total charge to income statement	**38.0**	11.9
Statement of comprehensive income		
Gain on pension scheme assets	**101.0**	83.8
Changes in assumptions	**(153.8)**	(45.5)
Actuarial (loss)/gain	**(52.8)**	38.3
Deferred tax credited/(charged) to equity	**9.9**	(13.4)
Actuarial (loss)/gain (net of deferred tax)	**(42.9)**	24.9

The expected return on plan assets is based on market expectations at the beginning of the year for returns over the entire life of the benefit obligation.

	2013 £m	2012 £m
Defined benefit obligation	**(1,494.4)**	(1,329.8)
Fair value of plan assets	**1,209.2**	1,078.7
Retirement benefit liabilities	**(285.2)**	(251.1)

Movements in the retirement benefit liabilities are as follows:

	2013 £m	2012 £m
At beginning of year	**(251.1)**	(337.8)
Service cost	**(2.2)**	(3.3)
Net finance costs	**(7.4)**	(10.9)
Curtailment gain	**4.3**	31.5
Settlement gain (net)	**0.1**	1.8
Contributions	**23.9**	29.2
Actuarial (loss)/gain	**(52.8)**	38.3
Difference on exchange	**-**	0.1
At end of year	**(285.2)**	(251.1)

The Group expects employer contributions to be paid during the financial year to 31 March 2014 to be around £35.1m, of which £32.0m is in relation to the funding of the actuarial deficit, and employee contributions paid to be around £1.6m. Expected benefit payments made directly by the Group to pensioners in the financial year to 31 March 2014 are £nil.

The approximate effect on the liabilities from changes in the main assumptions used to value the liabilities are as follows:

	Change in assumption	**Effect on plan liabilities**	
		Atkins Pension Plan	**Railways Pension Scheme**
Discount rate	increase/decrease 0.5%	decrease/increase 10.0%	decrease/increase 8.0%
Inflation	increase/decrease 0.5%	increase/decrease 5.0%	increase/decrease 8.0%
Real rate of increase in salaries	increase/decrease 0.5%	increase/decrease 2.0%	increase/decrease 1.0%
Longevity	increase 1 year	increase 3.0%	increase 2.0%

The effect of the change in inflation on liabilities assumes a corresponding change in salary increases and inflation-related pension increases.

(b) Other post-employment benefit liabilities

The Group operates unfunded schemes within certain of its non-UK businesses, including Gratuity schemes, Key Employee Supplemental Option Plans (KESOP) and post-retirement medical benefit schemes.

Members of the Gratuity schemes are entitled to receive a cash gratuity on leaving the business which is dependent on their length of employment and final salary. Valuation of the gratuity obligation is carried out in line with the principles of IAS 19, *Employee benefits*.

The Group operates a KESOP providing some key officers and employees in its North American business (the business) with post-retirement benefits, known as the Supplemental Income Program (SIP). The SIP is an unfunded plan that provides participants with retirement income for a specified period of between 5 and 15 years upon retirement, death or disability. The plan fixes a minimum level for retirement benefits to be paid to participants based on the participant's position in the business, their age and length of service at retirement. Additionally, certain executive agreements have been amended to provide post-retirement medical benefits to those employees and their spouses, at a level substantially similar to those medical and hospitalisation benefits paid and provided to senior executives currently employed by the business. The insurance benefits will be provided without any further or additional services from the employee to the business and they will be paid for and provided for as long as the employee and their spouse shall live.

	2013 £m	2012 £m
Other post-employment obligation at beginning of year	**14.2**	12.5
Service cost and other comprehensive income	**2.0**	3.5
Interest cost	**0.7**	0.6
Net actuarial loss recognised in the year	**0.2**	-
Benefit payments	**(4.2)**	(2.5)
Difference on exchange	**0.7**	0.1
Other post-employment obligation at end of year	**13.6**	14.2

14. Ordinary shares

	2013 £m	2012 £m
Issued, allotted and fully paid ordinary shares of 0.5p each		
At 1 April	**0.5**	0.5
At 31 March	**0.5**	0.5

At the 2012 annual general meeting (AGM) shareholder authority was obtained for the Company to purchase up to a maximum of 10,011,000 of its own ordinary shares (representing approximately 10% of the issued share capital of the Company on 13 June 2012) for a period ending on the earlier of the next AGM or 1 November 2013, provided that certain conditions (relating to the purchase price) are met. The Notice of Meeting for the AGM to be held at 1100 hours on Wednesday 31 July 2013 proposes that shareholders approve a resolution updating and renewing this authority. Shares in the Company may also be purchased by the Company's EBTs.

As at the date of this report there were 4,341,000 ordinary shares of 0.5 pence each (nominal value £21,705) held as treasury shares. No shares were purchased during the year ended 31 March 2013 (2012: nil). The 4,341,000 treasury shares, which represent approximately 4.2% of the total (2012: 4.2%) of the called up share capital as at the date of this report, have not been cancelled and represent a deduction from shareholders' equity.

15. Cash generated from continuing operations

	2013 £m	2012 £m
Profit for the year	**88.4**	106.8
Adjustments for:		
Income tax	**14.9**	28.7
Finance income	**(3.4)**	(4.1)
Finance costs	**12.5**	14.9
Share of post-tax profit from joint ventures	**(3.8)**	(1.9)
Other non-cash costs/(income)	**4.5**	(2.9)
Depreciation charges	**14.6**	17.1
Profit on disposal of businesses/non-controlling entities	**(4.5)**	(7.2)

Amortisation and impairment of intangible assets	**14.0**	9.5
Release of deferred income	**(3.1)**	(0.2)
Share-based payment charge	**6.5**	6.4
Pensions settlement and curtailment gain	**(4.4)**	(33.3)
Loss on disposal of property, plant and equipment	**-**	0.5
Gain on disposal of available-for-sale financial assets	**(0.8)**	-
Movement in provisions	**(4.7)**	(5.7)
Movement in inventories	**0.1**	(0.3)
Movement in trade and other receivables	**4.4**	(19.5)
Movement in payables	**(31.5)**	(11.3)
Movement in non-current payables	**0.2**	(2.9)
Actuarial deficit funding	**(21.0)**	(26.0)
Cash generated from continuing operations	**82.9**	68.6

16. Analysis of net funds

	31 March 2012 £m	Cash flow £m	Other non-cash changes £m	Exchange movement £m	**31 March 2013 £m**
Cash and cash equivalents	167.0	31.0	-	3.5	**201.5**
Loan notes receivable	25.1	1.8	(6.9)	-	**20.0**
Financial assets at fair value through profit or loss	35.0	(0.4)	1.3	-	**35.9**
Available-for-sale financial assets	6.1	(6.9)	0.8	-	**-**
Borrowings due not later than one year	(104.0)	47.5	-	(3.3)	**(59.8)**
Borrowings due later than one year	-	(47.5)	-	(1.8)	**(49.3)**
Finance leases	(6.6)	1.8	(0.5)	-	**(5.3)**
Net funds	122.6	27.3	(5.3)	(1.6)	**143.0**

17. Events after the balance sheet date

Sale of the Group's UK highways services business

The Group expects to complete the sale of its UK highways services business to Skanska Construction UK Limited, a wholly owned subsidiary of Skanska AB, in the summer. This business has been disclosed as an asset held for sale in these Financial Statements and further information regarding the transaction is provided in note 7.

General Information

WS Atkins plc is a public limited company incorporated and domiciled in England with company number 1885586. The Company is listed on the London Stock Exchange.

Copies of this preliminary financial information are available from the registered office: Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England and may be viewed on the Atkins website www.atkinsglobal.com.