

BUROHAPPOLD
ENGINEERING

BURO HAPPOLD ENGINEERS LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

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COMPANIES HOUSE

REGISTERED NUMBER: 02005893

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N K Billett
M J Cook
C J Hetherington
M L Melville
J N Nicholls
R J Nickells
R Sykes

COMPANY SECRETARY

D Conway

COMPANY NUMBER

02005893

REGISTERED OFFICE

Camden Mill
Lower Bristol Road
Bath
BA2 3DQ

AUDITOR

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

BANKERS

HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

STRATEGIC REPORT

YEAR ENDED 30 APRIL 2016

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of providing employee services to the Buro Happold group.

REVIEW OF BUSINESS

During 2015/16 the company has increased turnover by 16% to £43.9m (2015: £37.9m), largely driven by the increase in the average number of employees to 867 employees (2015: 794).

Profit on ordinary activities before taxation has decreased to £2.1m (2015: £2.6m). No dividend income was received in the current year (2015: £1.9m).

KEY PERFORMANCE INDICATORS

The company's key performance indicator is the effectiveness of operating margin. The operating margin has increased to 4.0% (2015: 0.7%).

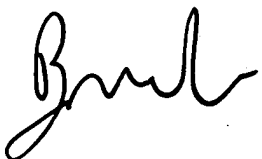
FUTURE DEVELOPMENTS

Indications so far in 2016/17 are that the company will continue to deliver management services to the Buro Happold group. These services are expected to increase in line with the anticipated growth of the Buro Happold group.

PRINCIPAL RISKS AND UNCERTAINTIES AND MATTERS OF STRATEGIC IMPORTANCE

Key staff - Retention and employment of key staff remains critical to the company's success. This risk is mitigated through a fair pay structure, the commitment of the business to core policies including fairness, diversity and equality, a culture of effective performance management and reward, career planning, and a commitment to training and development programmes.

This report was approved by the board on 11 August 2016 and signed on its behalf.



R J Nickells
Director

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2016

The directors present their report and the financial statements for the year ended 30 April 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1.7m (2015: £2.5m). The directors do not recommend payment of a final dividend (2015: £nil).

DIRECTORS

The directors who served during the year, and up to the date of this report, were:

N K Billett (appointed 1 July 2016)
M J Cook
P M Guthrie (resigned 1 January 2016)
C J Hetherington
M L Melville (appointed 1 November 2015)
J N Nicholls
R J Nickells
R Sykes (appointed 1 November 2015)
M Williamson (resigned 6 May 2016)

EMPLOYMENT POLICY

The company is an inclusive employer and actively encourages participation from a wide range of skilled employees. It is the company's policy to ensure adequate provision for the diversity, equality, health, safety, welfare and training of its employees.

The company seeks to keep its employees informed on all aspects of the business through structured management meetings and in-house publications.

The company has continued its policy regarding employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons having regard for their particular aptitudes and abilities.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO THE AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

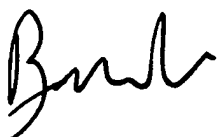
DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2016 (continued)

AUDITOR

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 August 2016 and signed on its behalf.



R J Nickells
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BURO HAPPOLD ENGINEERS LIMITED

We have audited the financial statements on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY COMPANIES ACT 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BURO HAPPOLD ENGINEERS LIMITED (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RSM UK audit LLP

Heather Wheelhouse (Senior Statutory Auditor)
for and on behalf of

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: *8 September 2016.*

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED 30 APRIL 2016

	Note	2016 £'000	2015 £'000
TURNOVER	1, 3	43,935	37,864
Cost of sales		(42,197)	(37,599)
OPERATING PROFIT	3, 5	1,738	265
Income from shares in group undertaking		-	1,941
Other income	4	354	391
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,092	2,597
Tax on profit on ordinary activities	8	(438)	(131)
PROFIT FOR THE FINANCIAL YEAR		1,654	2,466
Retained earnings at 1 May		1,397	(1,069)
RETAINED EARNINGS AT 30 APRIL		3,051	1,397

All amounts relate to continuing operations.

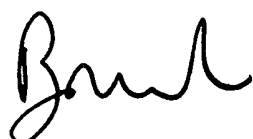
There are no recognised gains or losses for the current or prior financial year other than as stated in the statement of income and retained earnings. Accordingly, no statement of comprehensive income is presented.

The notes on pages 13 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 30 APRIL 2016

	Note	2016		2015	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	9		791		793
CURRENT ASSETS					
Debtors due within one year	11	4,635		6,043	
Cash at bank and in hand		87		80	
		<u>4,722</u>		<u>6,123</u>	
CREDITORS:					
Amounts falling due within one year	12	<u>(2,461)</u>		<u>(5,518)</u>	
NET CURRENT ASSETS			<u>2,261</u>		<u>605</u>
NET ASSETS			<u>3,052</u>		<u>1,398</u>
CAPITAL AND RESERVES					
Called up share capital	14		1		1
Profit and loss account	14		<u>3,051</u>		<u>1,397</u>
TOTAL EQUITY			<u>3,052</u>		<u>1,398</u>

The financial statements on pages 11 to 26 were approved and authorised for issue by the directors and were signed on their behalf on 11 August 2016.



R J Nickells
Director

The notes on pages 13 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2016

1 ACCOUNTING POLICIES

1.1 GENERAL INFORMATION

Buro Happold Engineers Limited is a limited company domiciled and incorporated in England. The address of the company's registered office is given on page 4. The company's principal activities and nature of operations are set out in the strategic report on page 5.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

These are the first financial statements of Buro Happold Engineers Limited prepared in accordance with FRS 102. The financial statements of Buro Happold Engineers Limited for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS.'

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date. Details of these adjustments are included in note 20.

Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

Consolidated financial statements

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent, Happold LLP, a Limited Liability Partnership based in England. The consolidated financial statements of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts and net gains/losses for each category of financial instrument; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling, which is also the functional currency of the company.

1.4 TURNOVER

Turnover represents the fair value of the consideration received or receivable for the sale of employee services to other group companies, stated net of value added tax.

1.5 OTHER INCOME

Dividend income

Dividend income is recognised when the company's right to receive payment is established and is presented within other operating income.

Rental income

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term and is presented within other operating income.

1.6 INVESTMENTS

Fixed asset investments are initially measured at cost less any accumulated impairment losses. Fixed asset investments are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in profit and loss.

1 ACCOUNTING POLICIES (continued)

1.7 OPERATING LEASES

Rentals under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as incentives to sign an operating lease are accounted for as a reduction to the expense and are recognised, on a straight line basis over the lease term.

1.8 TAXATION

The taxation expense represents the sum of the current tax expense and the deferred tax expense.

Current and deferred taxation assets or liabilities are not discounted.

Current taxation

Current tax is based on taxable profit for the year, with a current tax asset recognised when the tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.9 EMPLOYEE BENEFITS

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Annual bonus

The company operates an annual bonus arrangement for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

Short term benefits

Short term employee benefits, including holiday pay are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The entity operates a defined contribution pension scheme for employees. The pension charge represents the amount payable by the entity to the fund during the year. Amounts not paid are shown in other creditors.

1.10 FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments Issues' of FRS 102, in full, and to all of its financial instruments.

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In producing the financial statements, the company has to make judgements and estimates that directly affect the reported amounts of turnover, expenses, assets and liabilities. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions concern the future and will, by definition, seldom equal the related actual results. The estimates and judgements that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Deferred tax

The valuation of deferred tax assets is dependent on assumptions related to future profitability. The company reviews profit forecasts in order to ascertain the value of the asset to be carried forward.

Operating leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company.

3 GEOGRAPHICAL ANALYSIS

The turnover, operating profit and net assets of the company have been wholly derived from its principal activity wholly undertaken in the UK.

4 OTHER INCOME

	2016	2015
	£'000	£'000
Rental income	354	391

5 OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£'000	£'000
Operating lease rentals:		
– land and buildings	2,101	2,163

Fees payable to RSM UK Audit LLP and its associates in respect of audit services are as follows:

	2016	2015
	£'000	£'000
Audit services – statutory audit of the company	9	9

6 DIRECTORS REMUNERATION

	2016	2015
	£'000	£'000
Emoluments	182	148

Pension contributions of £6,000 (2015: £13,000) were paid on behalf of the directors.

7 STAFF COSTS

Staff costs were as follows:

	2016	2015
	£'000	£'000
Wages and salaries	31,301	27,741
Social security costs	3,442	3,019
Other pension costs	3,623	3,026
	<u>38,366</u>	<u>33,786</u>

The average monthly number of persons (excluding directors who are members of the parent LLP) employed during the year was as follows:

	2016	2015
	No.	No.
Technical staff	618	552
Support staff	249	242
	<u>867</u>	<u>794</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge in the year

	2016	2015
	£'000	£'000
Current tax (see note below)		
UK corporation tax charge on profit for the year	71	-
Total current tax	<u>71</u>	<u>-</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	182	131
Effect of tax rate change on opening balance	39	-
Adjustments in respect of prior years	146	-
Tax on profit on ordinary activities	<u>438</u>	<u>131</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015 – 20.9%). The differences are explained below:

	2016	2015
	£'000	£'000
Profit on ordinary activities before tax	2,092	2,597
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.9%)	418	543
Effects of:		
Income not taxable	(71)	(406)
Other timing differences	(73)	-
Adjust closing deferred tax to average rate	18	(6)
Adjustments in respect of prior years	146	-
Total tax charge for the year (see note above)	<u>438</u>	<u>131</u>

Factors that may affect future tax charges

Up until 31 March 2015 there were two rates of corporation tax and one effective marginal rate. From 1 April 2015 the main rate and the small profits rate have been unified and are set at 20%.

The corporation tax rate will reduce to 19% for the years commencing on 1 April 2017, 2018 and 2019 and to 18% for the year commencing on 1 April 2020.

The directors are not aware of any other factors that could materially affect the future tax charge.

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings	Unlisted investments	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 May 2015	773	20	793
Disposals	(2)	-	(2)
At 30 April 2016	<u>771</u>	<u>20</u>	<u>791</u>

The unlisted investments represent an investment of £20,000 in Fenland Green Co-operative. The proportion of the investment is less than 1% and the company's activity is that of wind turbines.

Details of the principal subsidiaries can be found under note 10.

10 PRINCIPAL SUBSIDIARIES

Company name	Country	Activity	Share held class	Percentage shareholding
Buro Happold Consulting Engineers Limited	England	(a)	Ordinary	100%
Buro Happold Limited	England	(a)	Ordinary	100%
Happold Ingenieurburo GmbH	Germany	(a)	Ordinary	100%
BH Geoenvironmental Limited	England	(a)	Ordinary	100%
Buro Happold Polska sp.z.o.o	Poland	(a)	Ordinary	100%
Happold Consulting Limited	England	(b)	Ordinary	100%
Buro Happold Canada Inc	Canada	(c)	Ordinary	100%
Happold Holdings (NA) Inc	USA	(d)	Ordinary	100%
Buro Happold International (Hong Kong) Limited	Hong Kong	(a)	Ordinary	100%
Happold Safe & Secure Limited	England	(a)	Ordinary	100%
Buro Happold ApS	Denmark	(a)	Ordinary	100%
Buro Happold Engineers India Private Limited	India	(a)	Ordinary	100%
Buro Happold Philippines Inc	Philippines	(c)	Ordinary	100%
ITool Limited	England	(c)	Ordinary	100%
IProcesses Limited	England	(c)	Ordinary	100%
Buro Happold Consulting Engineers Inc *	USA	(a)	Ordinary	100%
Buro Happold Inc *	USA	(d)	Ordinary	100%
Buro Happold Consulting Engineers (Beijing) Limited *	China	(a)	Ordinary	100%
Buro Happold and Partner Engineering Consultancy Company *	Saudi Arabia	(a)	Ordinary	75%

PRINCIPAL SUBSIDIARIES (continued)

The nature of the activities of the individual companies is as follows:

- (a) Consulting engineers
- (b) Consultancy services
- (c) Dormant company
- (d) Management services company

* Denotes indirectly held subsidiaries of the company.

11 DEBTORS DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Amounts owed by group undertakings	3,384	3,428
Other debtors	84	80
Prepayments and accrued income	1,000	993
Deferred tax asset (see note 13)	167	534
Corporation tax	-	1,008
	<u>4,635</u>	<u>6,043</u>

The directors believe that sufficient profits will be made in future years to fully recover the deferred tax asset and consider that this asset will be fully recovered within one year.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Amounts owed to group undertakings	1	3,363
Other taxation and social security costs	953	847
Other creditors	355	326
Accruals	1,152	982
	<u>2,461</u>	<u>5,518</u>

13 DEFERRED TAXATION

	2016	2015
	£'000	£'000
At beginning of year	534	665
Charge for year	(367)	(131)
At end of year	<u>167</u>	<u>534</u>

The asset for deferred taxation is made up as follows:

	2016	2015
	£'000	£'000
Accelerated capital allowances	6	8
Tax losses brought forward	104	396
Other timing difference	57	130
	<u>167</u>	<u>534</u>

14 SHARE CAPITAL AND RESERVES

Shares	2016	2015
	£'000	£'000
Allotted, called up and fully paid		
1,000 – Ordinary shares of £1 each	1	1

The company has one class of ordinary shares which carry no right to fixed income.

Reserves

The company's only reserve is retained earnings which represents the cumulative profit and loss, net of distributions.

15 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The scheme and its assets are held by independent managers. The amount charged to the profit and loss account in relation to pension contributions was £3.6m (2015: £3.0m). At the year-end £0.3m (2015: £0.3m) was included in other creditors.

16 OPERATING LEASE COMMITMENTS

At 30 April 2016 the company had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2016	2015
	£'000	£'000
Payments due:		
Within 1 year	2,044	2,021
Between 2 and 5 years	5,373	3,954
After more than 5 years	2,044	496

17 CONTINGENT LIABILITY

The company is registered under a group VAT scheme and jointly liable for the group VAT liability. The group VAT liability outstanding at year end was £1.3m (2015: £0.8m).

18 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption from disclosing transactions and balances with other wholly owned group undertakings as permitted by Section 33 'Related Party Disclosures' of FRS 102.

A director of the company is one of the landlords of the Camden Mill leased property. Further detail in relation to the amounts paid by the company to the trust operating on behalf of the landlords is included in the parent company financial statements.

19 CONTROLLING PARTY

The directors consider the ultimate parent undertaking to be Happold LLP, a Limited Liability Partnership registered in the United Kingdom.

Happold LLP is also the immediate parent, and is the smallest and largest Limited Liability Partnership for which consolidated accounts including Buro Happold Engineers Limited are prepared. The consolidated accounts of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.

20 FIRST TIME ADOPTION OF FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

RECONCILIATION OF EQUITY	Note	1 May 2014 £'000	30 April 2015 £'000
Equity as previously reported under previous UK GAAP		(844)	1,690
Holiday pay accrual	A	(280)	(365)
Deferred taxation	B	56	73
Equity reported under FRS 102		<u>(1,068)</u>	<u>1,398</u>

RECONCILIATION OF PROFIT	Note	Year ended 30 April 2015 £'000
Profit as previously reported under previous UK GAAP		2,534
Holiday pay accrual	A	(85)
Deferred taxation	B	17
Profit reported under FRS 102		<u>2,466</u>

A – Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £280,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 30 April 2015 an additional charge of £85,000 was recognised in the profit and loss account, increasing the liability at 30 April 2015 to £365,000.

B – Deferred taxation

Deferred taxation of £56,000 has been recognised representing 20% of the holiday pay accrual recognised on transition at 1 May 2014. In the year ended 30 April 2015 the company has recognised a deferred tax credit of £17,000 in the profit and loss account in respect of the increase in the holiday pay accrual.