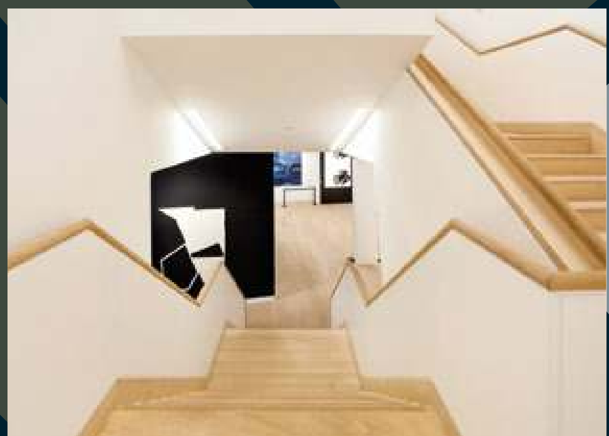
2014

AUKETT SWANKE GROUP PLC

Annual Report & Accounts

30
Berkeley
Square, W1

Front cover /
inside front cover:
30 Berkeley Square,
London W1 –
new London
headquarters for
Phillips, contemporary
art auctioneers



Aukett Swanke

provides design services, focusing on architecture, master planning, space planning and interior design

The practice designs and delivers commercial projects throughout Europe, Russia and the Middle East

Our clients include . . .

AB Developments / Adnams / Aldar / Al Hamra / Allcon / AMP Asset Management / Arup / Ascot Underwriting / Asda / Avaya / Aviva / AXA Sun Life / BAM / Bank of America Merrill Lynch / Bank of Moscow / Barclays Group Property Services / Bell Hammer / Benchmark / Bermuda Hospitals Board / Blackstone / BNP Paribas Real Estate / BNY Mellon / Bovis Lend Lease / Bowmer & Kirkland / British Energy / British Land / Brunswick / BSkyB / BT / Bundesdruckerei / Buro Happold / Cambridge University Hospitals NHS Trust / Candy & Candy / Capital Shopping Centres / Carillion / Carlton Club / CBRE / Cengiz Holding / Centros / Chelmsford Cathedral / CIN LaSalle / CIS / Cisco / City of London Corporation / Commercial Estates Group / Corinthia Group / Costain / Countryside Properties / Credit Suisse / Crest Nicholson / Crossrail / Crowne Plaza Hotels / Daimler Chrysler / Deloitte / Deutsche Bank / Development Securities / DGV Consulting / Diageo / Dresdner Bank / DTC de Beers / DTZ Debenham Tie Leung / Dublin Docklands Development Authority / Dunhill / DVLA / Ede & Ravenscroft / Electricity Supply Nominees / Eli Lilly / Emlak Konut / Endsleigh Insurance / English Partnerships / Equa Bank / Ernst & Young / ER Yatarim Turizm Insaat / Eurofinance Bank / European Medicines Agency / Exxon Mobil / Fenwick / FIBA Group / Firoka / First Bank / Flemings Bank / Foreign & Commonwealth Office / Fujitsu / GE Capital / Gertler / Goldman Sachs / Goodman / Google / Government of Singapore / Great Portland Estates / Grosvenor / Group M / GSK / Helical Bar / Heron Property / Hexal Pharmaceuticals / Hilton International / Hochtief / Holy Trinity Brompton / Home Office IND / Homerton University Hospital NHS Trust / Honeywell / Howard de Walden Estates / HSBC / Infosys / Imperial College / ING Real Estate / Institute of Physics / Interros / Interserve / IPCC / Irausa UK / Irish Rail / ISG / Jarrold & Sons / Jody Scheckter / Johnson Controls / Jones Lang LaSalle / JP Morgan / KfW Bank / Kier / Knight Dragon / Korine Property Partners / Kortros / KPMG / Land Securities / LaSalle Investment Management / Le Meridien / Lee Valley Regional Park Authority / Linden Homes / London & Regional / London Electricity / London Underground / Long Term Credit Bank of Japan / M&G / Macquarie Group / Marks & Spencer / Mercury / Merkur Development / Microsoft / Midland Development / MoD / Moody's Investor Services / Morgans Hotel Group / Mouchel / Napp Pharmaceuticals / National Assembly for Wales / National Grid / Nations Bank / NATS / Network Rail / Nicholson Estates / NIDA Insaat / Nikko Europe / Northern Rock / Nottinghamshire Healthcare NHS Trust / npower / ODPM / Opin Group / Orbis Investment Advisory / Orchard Street Investment Management / Palestra / Peresvet Region / Pfizer / Phoenix Development / PIK Developments / Pillar Property Investments / Plysu / Polkomtel / Portman Building Society / Prologis / Providence Row / PSN Properties/ Quintain / Rabobank / Radisson Blu Edwardian / Railtrack / Railway Pension Nominees / Ralph Trustees / Ramboll / Reading FC / Redevco / Renova Group / Reuters / Richemont / Rio Tinto / Robin Oil / Rocco Forte / Royal Bank of Scotland / RSPB / Saatchi & Saatchi Bates / SAB Miller / Savills / Sberbank / SC Johnson / Scala / Scottish Development Agency / Scottish Widows / Segro / Sheffield Teaching Hospitals / Siemens / Sir Robert McAlpine / Sistema Hals / Skanska / Skype / Spillers / Southampton Solent University / Standard Life Investments / St Alphage Church / St Andrew's URC, Canterbury / St Martin's Property / Stephenson Harwood / Sun Microsystems / SUSE Linux / Syngenta International / Tahincioglu Real Estate / Taylor Wimpey / Tenkhoff Properties / Tesco / The London Clinic / The Mercers' Company / The Royal College of Surgeons of England / Tishman Speyer / Tonstate / Transport for London / Trinity Hall / Tube Lines / University of Cambridge / Uralsib Development / Usadba Center / Vestas / VMware / Vodafone / Voreda / VTB Bank / Wates / Welbeck Land / Wellcome Trust / Westminster City Council / Westpac / Willis Group / Worshipful Company of Cordwainers / Worshipful Company of Grocers

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Our pedigree goes back more than

100 years

1955
Fitzroy Robinson

1972
Aukett

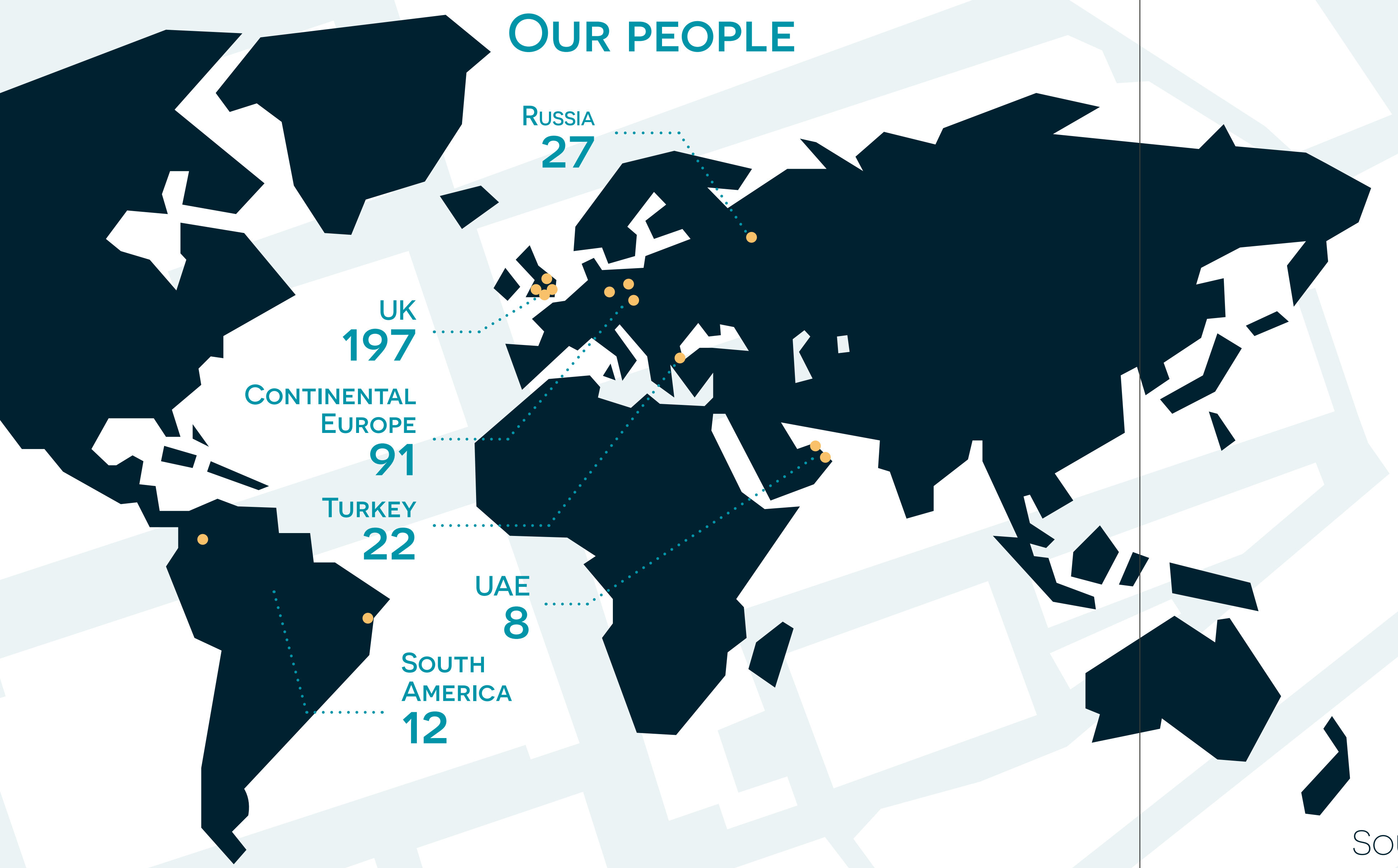
1906
Walker & Gillette

2005
Aukett Fitzroy Robinson Group Plc

2005
MBO – Swanke Hayden Connell Europe

2013
Aukett Swanke Group Plc

Our People



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We are aukett swanke

We have **14 studios**

in **8 countries**

With a total of **357 people**

London
Abu Dhabi
Dubai
Moscow
Sheffield
Istanbul
Berlin
Frankfurt
Prague
Bogota
Bristol
Recife
Southampton

Our Studios

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london@aukettswanke.com

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Czech Republic
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aukett@aukett.cz

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Associated Studios

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info@coda-architects.co.uk

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ana@amplusprojetos.com.br

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United Kingdom
+44 (0)2380 224292
studio@afr-southampton.co.uk

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Recent & current projects

1.
125 Wood Street,
London EC2

2. **125 Wood Street**, London EC2
3. **The Adelphi Building**, London WC2
4. **Gade Zone Regeneration**, Hemel Hempstead
5. **Al Hamra Fort Hotel**, Ras Al Khaimah

2

3

4

5

6

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6. **Symantec**, Reading
7. **Avast**, Prague
8. **10 Trinity Square**, London EC3

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9. **Residential development**, London
10. **King Edward VII Memorial Hospital**, Bermuda
11. **Eastside Locks**, Birmingham
12. **Proposal for a Gallery Complex**, London
13. **Group M**, Istanbul
14. **Serebryney Bor Townhouses**, Moscow
15. **Verde SW1**, London SW1

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16. Imperial West
competition,
London W12

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20. Pantechnicon, London SW1

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17. Cofunds, Essex
18. Competition, Moscow
19. Harwell Campus
21. Fit Out, London
22. Monet Apartments, Moscow
23. Lancome, Prague
24. Fit Out, Berlin
25. Hotel de Rome, Berlin

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26. Arcus III, Moscow

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62 Buckingham Gate
London SW1

With 38,000sqm of office and retail space this 12 storey building provides a light, airy and inspirational working environment. It meets the technical requirements of the most demanding occupier.

The building envelope is composed of a series of folding planes that either tilt forward or fold backwards; responding to the contextual demands of the site and building volume.

Designed to achieve an optimum energy balance, the facade incorporates high performance solar control glass delivering a high light transmission whilst minimising heat gain.

The building has impressive entrances to the office space together with a public amenity space, a superior retail environment, and restaurants under a coloured glass canopy.

The building has been rated BREEAM 'Excellent'.

New BREEAM 'Excellent' building delivered for Land Securities in Victoria

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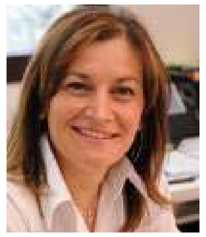
Spotlight on Istanbul


1

"Merhaba" from Istanbul!

- A city with a population of 14 million
- The only city that bridges two continents
- And a great place to live


Burçu Senparlak
General Manager


Nick Birchall
Director


2.
Microsoft MEA

3

1. IsBank Towers
3. Offices for Google

Istanbul has a rich and inspiring cultural, architectural and business heritage which creates many opportunities for designers. Ships form part of the architecture, traffic is a challenge, public transport is struggling to keep pace with population growth and walking is sometimes the quickest way of seeing the City.

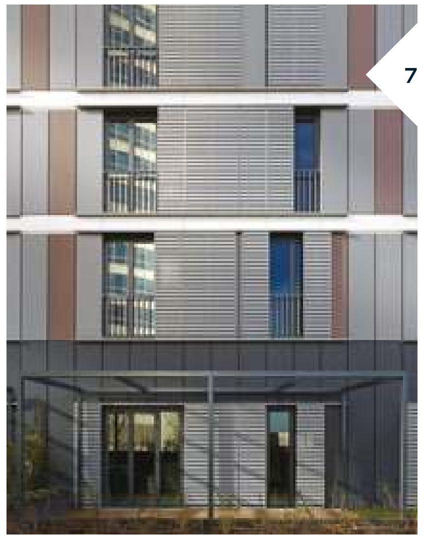
We have been contributing to the urban skyline of Istanbul since 1996. We designed two office towers around 2000, IsBank Towers and Tekfen Tower, which remain the international symbols for the business success of Turkey.

Since 2005, and working is close collaboration with the London team, we have transformed our design profile and abilities to be one of the most respected design studios in the City. International thinking implemented locally.


4.
Palladium Tower


5


6


7


8

5. Apartaman Bomonti
6. Offices for Group M
7. Extensa Bomonti Modern Palas
8. Offices for Vodafone

We have over 20 staff in the studio, a highly enthusiastic environment housed in our new office space in Zincirlikuyu on the European side, only a short stroll to the central business district in Levent.

Burçu Senparlak leads the studio as General Manager and the local Directors Özge Saka, Zeynep Orberk and Bülent Dündar design and lead our projects. Nick Birchall keeps our feet on the ground as the Director in charge of the office (and brings us chocolates on each monthly visit) and Steve Brown inspires creatively with design direction.

We design commercial offices, residential developments, office fitouts, master planning, hotels and datacentres for leaders in the development community - Tahincioğlu Group, Extensa, FIBA, Cengiz Holding, ER Yatirim, Polatyol Yapi and companies - Google, Microsoft, KPMG, Vodafone, Allianz, British Council, HBO Law.

We currently have three other office buildings under construction in Ataşehir, Istanbul and Konya, Southern Turkey. Our current designs include two major residential settlements, a major fitout for an international insurance company, and two mixed use developments.


Özge Saka,
Bülent Dündar
and Zeynep Orberk


Our Team!

We celebrate **20 years in Istanbul** in 2016 and, 13 years after completing Tekfen Tower, our 46 storey Palladium Tower was opened for Tahincioğlu Group last year.

Our physical contribution to the city continues.

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Palladium Tower
Istanbul

A new tower with views across the Bosphorus

On a prominent site on the Asian side of Istanbul, we have completed the Palladium Tower which has panoramic views across the city and the sea.

With direct access from the Bosporus Bridge and on the cross roads of the E5 and TEM highways in the Kozyatagi business district of Istanbul, the 1.7Ha site makes a highly visible location for the new tower.

The building provides 49,500sqm of efficiently planned and flexible Grade A office space around a central core, with floorplates of between 900 and 1100sqm suitable for single or multiple tenancies.

A landscaped drop-off area leads to a double height reception lobby connecting to meeting rooms, fitness, sauna, spa and cafeteria areas. Parking is below ground.

The tower has been split by naturally ventilated landscaped atria zones into a composition of elegant stacked forms, working with orthogonal geometry to ensure floorplate efficiency and overall building economy.

Coloured glass spandrels at high levels add interest and expression to the building and external illumination emphasises the building's composition at night.

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Studio News

Advancing the profession

Actively developing the next generation of architects is a key part of our studio succession plan and, we believe, supports the wider development of the profession.

We approach this from several perspectives, but two fundamental aspects are the provision of exciting and appropriate project experience alongside enabling access to the best training programmes on offer.

Key aspects of our programme to support our people through to architectural registration include improving knowledge sharing, providing financial support and paid study leave as well as formal and informal mentoring.

This year we have 18 people, including our internationally qualified architects, completing or undertaking the final part of their professional RIBA qualification, following which they can register under the ARB as an Architect.

They are supported by a strong studio learning culture supplemented by in house CPD sessions on fees, contracts and specific projects which put formal education into a real life context.

Pictured above are three of our recently qualified architects: **Emily Willig, Robert Symonds** and **Steven Kok**

New Aukett Swanke website goes live

Our new website was launched in 2014, a lively, image-focused site which is a powerful showcase allowing our clients, partners and visitors to discover the wide variety of work that we undertake across the studios, and the people that produce it. It can be found at : www.aukettswanke.com

Partners in AJ Women in Architecture Programme

This year we have partnered with the Architect's Journal on their Women in Architecture campaign for a second time. This underscores the studio's commitment to the idea that encouraging diversity in our studio provides a great source of talent and knowledge which greatly contributes to the success of the business.

We strongly believe that diversity builds a rewarding place to work within a stronger profession; that a diverse management board makes better strategic decisions, and that a diverse team fosters excellence in design.

Moving up the rankings

WA 100 2015

In the 2015 World Architecture 100, which is published by Building Design, Aukett Swanke is this year ranked 53rd (up 18 places from 2014) which makes us the 5th largest UK practice by international measurement.

We are also pleased to report that in the latest Building magazine UK Business Barometer we have continued to be ranked in the top five architects by contract value.

We returned to the index in December 2014 ranked 1st, and this month we have continued to retain a high place having been ranked 3rd.

This top three ranking is testament to the commitment of our talented staff to delivering high end projects for our blue chip client base.

The full listing and basis of the index compilation can be seen here:

www.building.co.uk/business-barometer/tables/top-architects

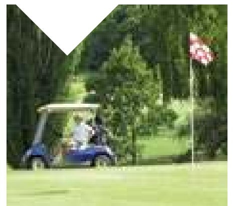
We've been Listed!

One of our earlier buildings in the City of London has been included in the 14 post-war office buildings recently listed by the Secretary of State for Culture, Media and Sport. Founders Court is in Lothbury, EC2 and has been Grade 2 Listed. It was designed for Brown Shipley and was completed in 1975; the same company is still in occupation 40 years later.

The listing notes that it is one of our *'. . . most distinguished works, successfully combining a rational monumentality with a humane scale'.*

Golf – in London and Frankfurt

Two summer golf days were enjoyed by the Frankfurt and London studios: Frankfurt on a miniature golf course followed by lunch and a local cultural visit, and London on a larger course followed by an award ceremony and local hospitality.



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Annual Berlin cycle tour

Some of our Berlin studio pictured taking a well-earned rest during their annual cycle tour in July.

60 people with 60 bikes set off in 30°C heat for a 40 kilometer ride. The day included a guided tour of the Olympic Stadium and finished with a team dinner.

Lutz Heese awarded honour

Dipl.-Ing. Lutz Heese *(on right of picture)* head of Heese Architects in Munich, our German JV partner and president of the Bavarian Chamber of Architects, has been awarded the Cross of the Order of Merit of the Federal Republic of Germany.

The award was presented by Joachim Herrmann, Minister of State for the Interior, Building and Transport in the Bavarian Chamber of Architects in Munich.

Walk for Maggie's Centres

A nine-strong Aukett Swanke team took part in a 15 mile architectural sponsored walk, raising funds for Maggie's Centres. Starting at Embankment Gardens, London SW1 at 6.30pm, the walk charted a route which took in locations such as the Serpentine Sackler Gallery, Maggie's Centre in Hammersmith and Foster & Partners' offices amongst other architectural showpieces.

The team crossed Westminster Bridge to the chimes of Big Ben at 2am to arrive at the finish line at the Royal Festival Hall fifteen minutes later.

We exceeded our fundraising target by 18%, raising more than £2,500 for the charity, boosted by other internal fundraising events such as cook and share lunches, hosting masterclasses, sale of handcrafted items and a bake-off competition.

Dragon Boat Racing – in Istanbul and London

In May 2014, our Istanbul studio entered a team in the 5th Istanbul Dragon Boat Festival. More than 5,000 competitors from 220 teams from all over the country entered the event, which had thousands of spectators.

Our intrepid team trained over four weeks before the event, and Duygu Gulaydin kept the rhythm as 'drum-master'. The event took place on the Golden Horn river which flows into the world famous Bosphorus - the real reason why no one wanted to fall in - but it was a great alternative view of the City.

Meanwhile, the London studios were invited to take part as a team in Grosvenor's annual Dragon Boat Regatta on a lake in the grounds of a hotel close to London.

With a team built for architecture, not speed, with little to no practice behind them and a power to weight ratio which failed to factor in the boat itself, they took the intelligent decision to maximise their networking opportunities by retiring to the bar after the initial rounds.

Dry, warm and comfortably mid-table, it was a good end to a great day.

New Chair of Moscow Construction and Fitout Association Appointed

Margarita Serova, Business Development Manager in our Moscow studio has recently been elected Chairperson of the Moscow Construction and Fit Out Association.

The Steering Committee cited her energy and enthusiasm for the aims of the Association as critical in raising standards in the design and construction industry in the Russian Federation.

New UK directors

Two new directors have been appointed: **James Atha** as director of Veretec and **Tom Alexander** in the London studio. See also pages 16 and 17.

New Plc board members

We are delighted to welcome two new members to the Plc board of directors. **Beverley Wright** joins us as Group Finance Director and Company Secretary, and **John Bullough** joins us as Non-executive Director. Each brings considerable past experience to the practice. Full details of all members of the board can be found on pages 18 and 19.

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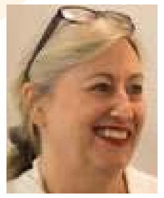
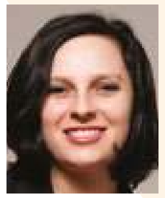
Key staff

UK Studios


Luke Schuberth
Managing Director - UK


Sharon Turner
Managing Director - UK


Suzette Vela Burkett
Managing Director - UK


Colin Hobart
Director


James Atha
Director - Veretec


Keith Morgan
Managing Director - Veretec


Nick Birchall
Director


Peter Eaton
Director


Steve Brown
Director


Tom Alexander
Director


Studio Principals
Andrew Webster
Daniel Winters
Gordon McQuade


Abi Van Hoorebeek
Senior Associate - Sheffield


Design Principals
Elias Niazi
Maurice van Eijs
Sam Castling


Tim Pettigrew
Senior Associate


Interiors Principals
Angela Sasso
Bob Bissett
Diana Monkhouse


Mukthir Sian
UK Financial Controller


Technical Principals
Alex Rimmer
Calvin Grant
David Allen


Freddie Cottis
Group Head of IT

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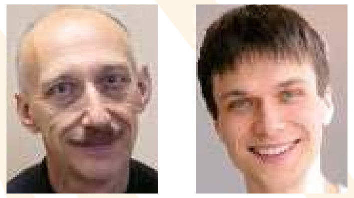
Robert Fry
Managing Director - International


Neil Tullis
Finance Director - International

Abu Dhabi / Dubai


Stephen Embley
Managing Director - Middle East

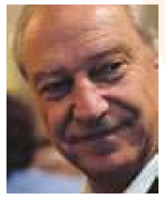
Moscow


Tom Nugent
General Director
Alex Nikulshkin
Chief Architect

Istanbul


Burçu Senparlak
General Manager

JV Partner - Germany


Lutz Heese
Managing Director - aukett + heese

Berlin


Andrew Henning Jones
Director

Frankfurt


Marcus Dietzsch
Director

Prague


Jana Lehotska
Director
Tomas Vorel
Director

Associate Offices

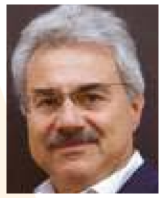
Bristol


Stephen Atkinson
Director
Ronnie Rennoldson
Director
Craig Bennett
Director

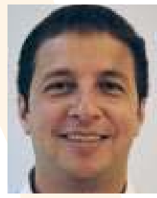
Southampton


Christian Morris
Director

South America


Raúl Curiel
Director

Bogota


Gustavo Ríos Truque
Director

Recife


Ana Amélia Velloso
Director
Gisele Melo de Carvalho
Director
Roberta Pessoa de Melo Martins
Director

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Board of Directors

Anthony Simmonds

Non Executive Chairman *+ #

BA(Hons) FCA FCCA Aged 70

Anthony joined Aukett Swanke as a non executive director in 2009 and was appointed Non Executive Chairman in March 2012. He is a qualified chartered accountant and former senior partner of a top 50 accountancy practice. He has had many years' experience in dealing with quoted public companies on a professional basis including advising on corporate finance, M&A, due diligence, as well as initial introductions to the market. He has held a number of executive and non executive positions and is experienced in the strategic development of businesses and the management of financial risk.

Nicholas Thompson

Chief Executive Officer #

BSc(Hons) MBA Aged 60

Nicholas is Aukett Swanke's CEO having originally joined Fitzroy Robinson as its Finance Director in 1994. He holds a Masters Degree in Business Administration from City University and currently sits on the Cass MBA Advisory Board. He is a qualified accountant and has a degree from Bath University. Recently he has been proposed for election to the Board of the Wren Insurance Association Limited. Nicholas is responsible for the Group's strategic growth plans and has wide experience in this area. During his career he led the finance team of Bernard Thorpe, a major UK surveying practice, to create what later became DTZ; and, followed this with a reverse takeover of Aukett Group Plc by Fitzroy Robinson Limited. In 2013 he led the negotiations to acquire Swanke Hayden Connell Europe Limited and established a new international brand: Aukett Swanke.

Beverley Wright

Group Finance Director & Company Secretary

BA(Hons) FCA Aged 56

Beverley joined Aukett Swanke in September 2014 as Group Finance Director. She is a qualified Chartered Accountant and has over 25 years of experience with construction and engineering firms and has significant experience in senior financial roles for international companies. Following 16 years at Mowlem Plc, Beverley joined Midas Group in 2005 as Group Finance Director. In 2006 she took over as Commercial and Financial Director Europe and Middle East at CH2M HILL, becoming International Commercial Director in 2012. Her roles have covered a very broad spectrum including tax, treasury, corporate finance, M&A and structuring, as well as commercial and financial management, analysis, control and governance.

John Bullough

Non Executive Director +

FRICS Aged 64

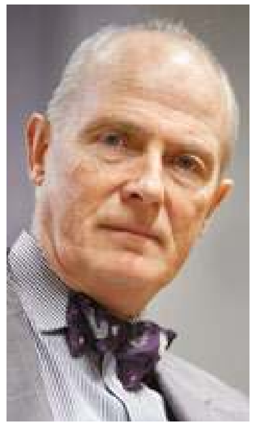
John joined Aukett Swanke as a non executive director in June 2014. He has over 40 years of international experience in property development and investment. Following 18 years with Grosvenor, John joined Aldar Properties PJSC in Abu Dhabi and was their Chief Executive until November 2010. He is a Fellow of the Royal Institution of Chartered Surveyors and is a Past President of the British Council of Shopping Centres.

David Hughes

Executive Deputy Chairman

BA DipArch RIBA Aged 60

David was appointed to the Board in December 2013 upon the acquisition of Swanke Hayden Connell Europe Limited, where he was Chief Executive. He managed their geographical expansion in Europe, adding studios in Istanbul, Sheffield and Moscow and expanded their design base to include healthcare, education and residential design. David graduated from Sheffield University and is an architect with broad experience in a range of building types. His career includes the restoration and redevelopment of Alexandra Palace in London and the technical coordination of several buildings within the prestigious Broadgate development in London for Rosehaugh Stanhope. David has managed both new build projects and fit outs and is recognised for his experience and expertise with his opinion often sought as an expert witness.



Andrew Murdoch

Executive Director #

MA RIBA Aged 65

Andrew is a qualified architect who joined Fitzroy Robinson in 1984. He was Chairman of Fitzroy Robinson in the 1990's, and was appointed to the board in December 2013. He is architect to a number of significant buildings in London's West End and the UK regions, and has a strong and enduring client following. His work includes the flagship Fenwick store in Bond Street, the Home of Alfred Dunhill in Mayfair, and the refurbishment of the Royal Exchange in the City. Andrew sat on the board of management of the British Council of Offices for 12 years and regularly chairs design reviews of recent office buildings for them.

Nick Pell

Executive Director

BA(Hons) Aged 53

Nick was appointed to the Board in December 2013 upon the acquisition of Swanke Hayden Connell Europe Limited and is International Interior Design Director. He has over 20 years of experience designing interiors projects across Europe having graduated from Kingston Polytechnic. Nick has established a reputation for designing creative interior solutions for a wide range of project types; hotels, restaurants, retail banks, residential, leisure facilities and commercial office space and he has led the design direction of several award winning projects. His projects are wide ranging, including the British Council for Offices award winning VISA HQ fit out, and an experimental hotel pilot project.

Board Committees

* Member of the Audit Committee chaired by Anthony Simmonds

\+ Member of the Remuneration Committee chaired by John Bullough

\# Member of the Nomination Committee chaired by Anthony Simmonds

Chairman's Statement

It is a pleasure to report on a highly successful year for your Company. During the year ended 30 September 2014 profit before tax increased by 155% to £1.4m (2013: £550k) whilst revenue more than doubled to £17.3m (2013: £8.4m). Earnings per share continue to grow and now stand at 0.65 pence per share (2013: 0.26 pence per share).

In accordance with the Company's previously stated policy, the Company intends to resume a regular pattern of dividend payments. Two payments were made during the year, one of which was in respect of the prior year. A further dividend payment was also made after the year end relating to the year ending September 2014.

Our net funds have continued to increase and stood at £1.8m by the year end. This was achieved notwithstanding that our acquisition of Swanke Hayden Connell Europe Limited ('SHCE') was, in part, cash funded. At the time of writing the Group is free of debt.

As noted above, in December 2013 we acquired SHCE. Much of 2014 involved integrating SHCE and consolidating our enlarged Group's operations. We anticipate the full benefit of this will begin to be enjoyed in 2015.

The year also saw some changes to the Board. Beverley Wright has joined us as the new Group Finance Director bringing with her experience and expertise from a successful career with major companies in the construction arena including Mowlem Plc and CH2M HILL. John Bullough has joined as a Non Executive Director and chairs the Remuneration Committee. He brings with him a vast knowledge of the commercial property sector through his senior level management experience within Grosvenor and ALDAR in the Middle East.

The only negative aspect to report upon has been the unfolding events in Russia which have tempered this year's performance.

I am confident that 2015 will again reflect a further overall improvement on current year performance with respect to revenues, profits, cash and dividends.

It is gratifying to report results ahead of our original forecasts, in no small measure due to the excellence of our offering to our clients and the enthusiasm, loyalty and diligence of our staff. I would like to convey my thanks to all our staff for their hard work during the year in achieving these results which, yet again, provide a stronger platform for the year ahead.

I am confident about your Company's future.

> " I am confident about your Company's future
>
> Anthony Simmonds
>
> **Non Executive Chairman**
>
> 28 January 2015

Financial Highlights

£8,406,000
2013

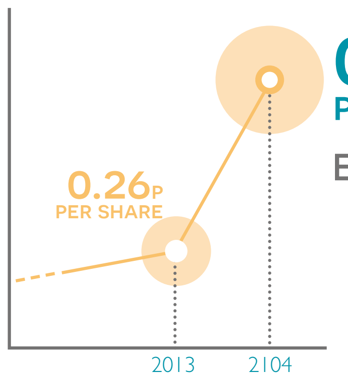
£17,326,000
2014

REVENUE UP 106%

£550,000
2013

£1,400,000
2014

PROFIT BEFORE TAX UP 155%



0.65p
PER SHARE

EPS UP 150%

£1,080,000
2013

£1,778,000
2014

NET FUNDING UP £698,000

£3,029,000
2013

£5,053,000
2014

NET ASSETS UP £2,024,000

RETURN TO 2 ANNUAL DIVIDENDS

Five year summary

Years ending 30 September Continuing operations	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Revenue	**17,326**	8,406	9,150	8,617	6,618
Revenue less sub consultant costs	**14,732**	7,116	6,744	5,934	5,998
Profit / (loss) before tax	**1,400**	550	210	(1,205)	(789)
Basic earnings / (losses) per share (p)	**0.65**	0.26	0.08	(0.64)	(0.40)
Dividends per share (p)	**0.18**	-	-	-	-
Net assets	**5,053**	3,029	2,652	2,689	3,804
Net funds	**1,778**	1,080	326	318	139

Corporate information

Company secretary
Beverley Wright
cosec@aukettswanke.com

Registered number
England & Wales 2155571

Registered office
36-40 York Way
London N1 9AB

Website
www.aukettswanke.com

Share registrars
Equiniti

www.equiniti.com
0121 415 7047

Nominated adviser and broker
finnCap

www.finncap.com
020 7220 0500

Auditors
BDO

www.bdo.co.uk

Bankers
Coutts & Co

www.coutts.com

Financial public relations
Hermes Financial Public Relations

Solicitors
Fox Williams

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Strategic report

The directors present their Strategic Report on the Group for the year ended 30 September 2014.

Strategic objectives

The Group has two main objectives. The first is to create shareholder value in the context of a longer term scenario reflecting the cyclical nature of our market place. The second is design excellence in all that we do.

Strategy

Our aim for 2014, as outlined in the previous financial report, comprised five goals. Four were financial in nature and one encompassed a strategic objective:

£17.3M ACHIEVED +15%

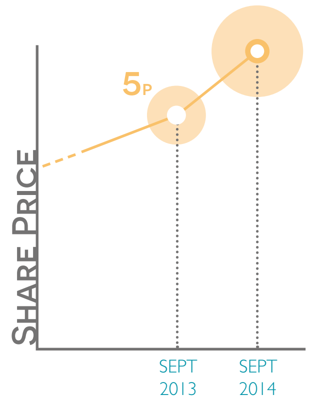
Top line revenue to remain above £10m and £15m by 2014. We have achieved the 2014 objective with revenue of £17.3m. 15% over target.

£1.4M ACHIEVED +40%

Sustainable pre-tax profit of above £1m. This year we achieved £1.4m. 40% over target.

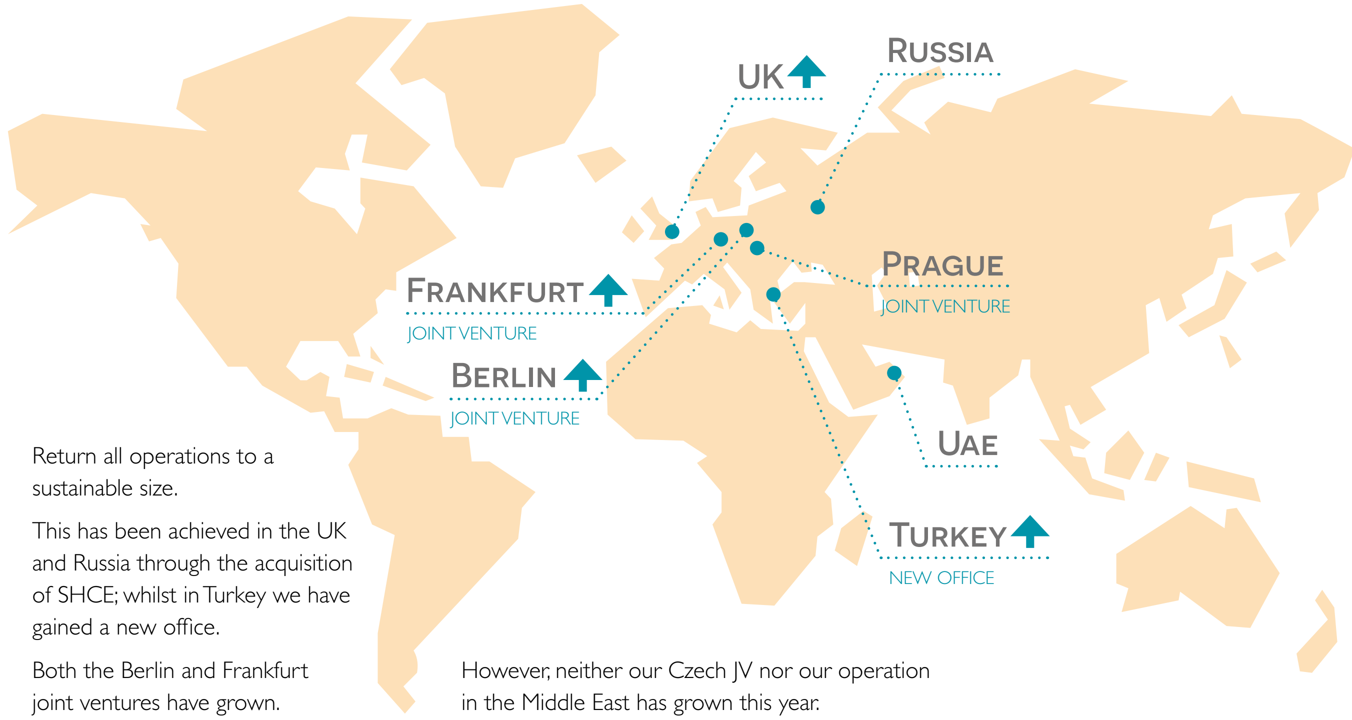
0.1P & 0.11P MAINTAIN DIVIDEND

Two dividends have been paid of 0.1 pence and 0.11 pence per share in 2014. Achieved target.



8P ACHIEVED +60%

Share price above 5p. Since September 2013 the share price has been above 5p and at the year end stood at 8p. 60% over target.



Return all operations to a sustainable size.

This has been achieved in the UK and Russia through the acquisition of SHCE; whilst in Turkey we have gained a new office.

Both the Berlin and Frankfurt joint ventures have grown.

However, neither our Czech JV nor our operation in the Middle East has grown this year.

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For the year ahead, 2015, our goals are:

To grow top line revenue towards £20m

To retain a twice yearly dividend

Ensure all operations are profitable

To move sustainable pre-tax profits above £1.5m

Establish benchmarks to evaluate our design performance

Retain our core teams and skill sets

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Business model

We continue to concentrate on a business model that focuses on client markets in specific geographies.

We have offices in the UK, Russia, Turkey, the Middle East, Germany and the Czech Republic as well as a licenced operation in South America. In the past year we have seen an improvement in our client markets in both the UK. Turkey and Germany but a static situation in Turkey, the Czech Republic and the Middle East. At present our Russian client market is shrinking as the country enters a recessionary cycle.

Swanke Hayden Connell Europe Limited integration

During the past nine months significant progress has been made to integrate SHCE into our business model. Both IT platforms and software systems have been aligned and we have co located our joint offices in London and Moscow. This has resulted in a significant capital spend in IT infrastructure and property refurbishment, but brings identified cost savings that should materialise downstream. Additionally we have been able to commence joint working on new projects in order to yield longer term synergies and maximise our combined expertise on project delivery.

Little of this benefit (but all of the cost) has been seen in these results. However, our end of year reviews have highlighted little or no further capital expenditure requirements in 2014/15 for either IT or property (other than volume expansion) and budgets reflect an ongoing underlying cost saving profile in these areas.

We are pleased to report that the merger will bring the expected longer term benefits not only in critical mass and brand quality, but in greater efficiency from our underlying overhead.

Business review

Summary of overall Group financial performance

Revenues in the year increased to £17.3m (2013: £8.4m), with revenue less sub consultants at £14.7m (2013: £7.1m). Profit before tax by comparison rose 155% to £1.4m (2013: £550k). This result provides 3.6 times dividend cover.

Net funds continued to climb at £1.8m (2013: £1.1m) leaving the Group virtually debt free. Post year end the small residual outstanding bank loan was repaid.

The result would have been significantly better had our pre acquisition Russian operation not continued to under perform, and the former SHCE business not suffered from a number of project delays in both Russia and the UK in the final quarter.

Architectural and interior design success is highlighted with three awards, two for 62 Buckingham Gate and one for M&S Cheshire Oaks.

The acquisition of SHCE and organic growth in the year has substantially bolstered our rankings. In the 2015 World Architecture 100 listings, published by Building Design, Aukett Swanke Group Plc ('Aukett Swanke') is ranked 53rd (2014: 71st), making us the 5th (2014: 8th) largest UK practice by international measurement.

Segmental analysis of financial performance

The key performance indicators used within the Group for assessing financial performance are:

- revenue less sub consultant costs which reflects the revenue generated by our own technical staff but excludes the revenue attributable to sub consultants;
- the revenue less sub consultant costs being generated per full time equivalent ('FTE') technical member of staff. For our larger operations this provides a barometer of near term efficiency and financial health. This figure when compared to the movement in total costs provides an insight into the likely direction of profitability; and
- profit before taxation.

The numbers of full time equivalent technical members of staff differs from the employee numbers disclosed in note 7 to the financial statements since the Group uses some non employed workers through agencies and freelance contracts. Also staff work part time or have been on maternity leave.

M&S Cheshire Oaks and 62 Buckingham Gate have both won awards

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United Kingdom

	2014 £'000	2013 £'000	2012 £'000
Revenue less sub consultant costs	**12,779**	6,083	5,034
FTE technical staff (number)	**131**	56	53
Per FTE technical staff	**98**	109	95
Operating costs	**(10,964)**	(5,122)	(4,996)
Profit before tax	**1,815**	961	38

The UK has had an excellent year with revenue less sub consultant costs rising 110% to £12.8m (2013: £6.1m). SHCE contributed 58% of this increase with organic growth accounting for 42%. We gained an additional 42 technical staff with SHCE and added 33 more through direct recruitment in a tightening labour market. The need to recruit in advance of project conversion through the various work stages along with an unexpected delay in two projects in the fourth quarter, restricted the profit rise, however we are able to report a profit rise of 90% at £1.8m (2013: £961k).

Nine major projects were either in the site phase or moved into construction during the year including Verde SW1 in Victoria for Tishman Speyer, Imperial West Phase 2 for Imperial College in West London, 10 Trinity Square in the City, two stores for Fenwick, the Adelphi building for Blackstone, Forbury Place in Reading for M&G, 125 Wood Street for Orchard Street Investment Management and Uxbridge Business Park for Goodman.

Veretec, our Executive architecture division, had its best year with revenue less sub consultant costs of over £3.3m for the first time. Five schemes represented approximately 70% of its revenue including clients such as Sir Robert McAlpine, McLaren Construction, Candy & Candy, and the Qatari Foundation. Our interior design offer was substantially augmented by the addition of SHCE's client base including projects with Ascot Underwriting, BNP Paribas, European Medicines Agency and Symantec.

Significantly, the UK out of town portfolio has returned through our existing client base with schemes in Birmingham, Bristol, Cambourne, Cambridge, Farnham, Harwell near Oxford, Hemel Hempstead and Sheffield.

The UK studio approaches 2015 with renewed optimism.

Russia

	2014 £'000	2013 £'000	2012 £'000
Revenue less sub consultant costs	**774**	781	1,314
FTE technical staff (number)	**20**	18	28
Per FTE technical staff	**39**	43	47
Operating costs	**(1,124)**	(1,051)	(1,256)
Profit / (loss) before tax (before impairment)	**(350)**	(270)	58

Despite a fillip from the addition of a new office and our teams' joint efforts post acquisition, the final result for the year is a loss of £350k.

We expected to avoid any losses in the second half in the pre acquisition operation and this was achieved with a small profit of £19k, reducing its annual loss to £304k (2013: £270k). Unfortunately, the SHCE branch suffered a project delay, in tandem with the UK operation in the final quarter, which reversed the first half profit and returned a loss of £46k.

The Board is mindful of this important market and the time taken to establish our credentials in it. However, such losses are unsustainable and we have given ourselves a short period in which to rectify the situation or consider alternative solutions. This process is further exacerbated by the recent troubles in the Russian financial markets brought about by Russian foreign policy and the collapse in the oil price. In the short term management's strategy is to concentrate on local Russian commissions where there is limited exposure to third party sub consultant costs and hard currency liabilities.

Given the continuing losses the remaining goodwill balance of £125,000 relating to the pre acquisition Russian operation, ZAO Aukett Fitzroy Vostok, has been impaired.

Turkey

	2014 £'000
Revenue less sub consultant costs	**687**
Operating costs	**(597)**
Profit before tax	**90**

This is a new operation to the Aukett Swanke Group and has performed well in the period. During the year we moved to slightly larger premises in order to provide a base for continued growth. With a profit of £90k on revenues of £687k this has been the best performer from the SHCE portfolio of offices. The office primarily works for local Turkish clients including: Tahincioglu Real Estate A.S., NIDA Insaat, FIBA Group, Cengiz Holding A.S, ER Yaterim Turizm Insaat A.S. and Vodafone. During the year the office successfully completed the 42 storey Palladium commercial office building in Istanbul. Our business plan assumes reasonable growth in this market.

Middle East

	2014 £'000	2013 £'000	2012 £'000
Revenue less sub consultant costs	**492**	252	396
Operating costs	**(478)**	(384)	(352)
Profit/ (loss) before tax	**14**	(132)	44

Revenues have almost doubled in the year at £492k (2013: £252k) enabling the operation to return a small profit of £14k (2013: loss £132k). The key project won with Majid Al Futtaim at the end of last year continued throughout the period to provide much needed local stability.

During the year we have seen the number of enquiries rise as the region returns to a more active market. However, critical mass remains a challenge to achieving our growth strategy. A number of independent potential solutions have now been identified, which we are considering. This operation could easily double or treble its size.

Continental Europe

As joint ventures or associates, the results of these operations are included in the financial statements as our share of after tax profits. However in order to provide a more insightful view of the true size and scale of each operation the figures shown below are 100% values.

Berlin

100% figures in which the Group has a 25% share	2014 £'000	2013 £'000	2012 £'000
Revenue less sub consultant costs	**4,330**	4,096	3,436
FTE technical staff (number)	**51**	48	44
Per FTE technical staff	**85**	85	78
Operating costs	**(2,873)**	(2,756)	(2,376)
Profit before tax	**1,457**	1,340	1,060

A veritable jewel in the crown. For a fourth successive year this operation has returned an improved performance based on its leading position in the Berlin market. The studio is one of the few "go to" practices for working drawing expertise. Pre tax profits rose by 8.7% to £1.5m (2013: £1.3m) on revenue less sub consultants up 5.6% at £4.3m (2013: £4.1m). Our net share (post tax) amounted to £254k (2013: £234k)

Major projects during the year included assistance on the Berlin Airport, Elbphilharmonie working drawings in Hamburg, KfW Bank refurbishment works in Berlin, Siemens office in Forchheim, Spindlershof refurbishment in Berlin, the shopping mall Gropius Passagen for the developer mfi and the Kaiserstrand Hotel in Bansin.

Frankfurt

100% figures in which the Group has a 50% share	2014 £'000	2013 £'000	2012 £'000
Revenue less sub consultant costs	**909**	496	348
Operating costs	**(617)**	(438)	(376)
Profit / (loss) before tax	**292**	58	(28)

A successful bid for Deutsche Bank provided the studio with a turnaround performance in the year and much needed revenue visibility.

Revenues grew by 83% to £909k (2013: £496k) and profits up five fold to £292k (2013: £58k).

The office retains a high calibre client portfolio including: The Bank of New York Mellon, JP Morgan, Microsoft, Morgan Stanley and Tishman Speyer.

Prague

100% figures in which the Group now has a 50% share	2014 £'000	2013 £'000	2012 £'000
Revenue less sub consultant costs	**304**	308	313
Operating costs	**(305)**	(296)	(321)
Profit / (loss) before tax	**(1)**	12	(8)

The market for services in the Czech Republic is depressed and achieving a breakeven result has been a considerable achievement. The Group's decision to move to a JV arrangement has been vindicated by recent results. As the studio has considerable design skills, the Group will remain committed to its continuation as part of the Group until the economy recovers.

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Group costs

Group costs rose to £398k (2013: £144k). The increase comprises one off costs in respect of corporate finance and legal work and the acquisition of SHCE. It also reflects the impacts of salary reinstatements, the addition of a new non executive director and an enhanced Head Office team to support the enlarged Group, together with recruitment fees for those individuals.

Financial position

In monitoring the financial position of the Group the directors look principally at the net investment in project working capital together with the financing available to the business through capital and reserves, and cash and debt facilities.

Project working capital

Project working capital comprises unpaid amounts invoiced to clients for progress billings plus / less amounts due from / received from clients for contract work. Amounts due from / received from clients for contract work reflect the extent to which revenue recognised exceeds or falls short of progress billings.

	2014 £'000	2013 £'000	2012 £'000
Net trade receivables	**4,258**	2,668	1,645
Amounts due from customers for contract work	**581**	277	389
Advances received from customers for contract work	**(2,472)**	(2,065)	(912)
Project working capital	**2,367**	880	1,122

The project payment arrangements under which the Group operates vary significantly by geographical location:

In the United Kingdom it is usual to agree in advance with the client at the start of a project a monthly billing schedule which generally leads to relatively low levels of amounts due from customers for contract work;

In Russia it is usual for the project to be divided into contractual work stages. At the start of each stage a deposit is received from the client but no further amounts are received until the stage, or sub stage, is fully completed;

In the Middle East it is usual to bill clients monthly, but the value of the monthly invoices raised is dependent upon demonstrating specific progress from the work performed, which generally leads to higher levels of amounts due from customers for contract work;

In Turkey it is usual to either agree in advance with the client a monthly billing schedule or to agree a billing schedule based on deliverable work stages.

Our project working capital has increased compared to the previous year, both as a result of the acquisition of SHCE as well as organic growth in the original business. It is also of a higher quality and more robust in nature and this is reflected in the improved net cash position at year end of £1.8m (2013: £1.1m), as revenue growth exceeded the increase in trade receivables. Commensurately receivable days improved from 116 to 90.

Financing

At the year end the Group had total equity of £5.1m and net funds of £1.8m (2013: £3.0m and £1.1m respectively).

The increase of £2.1m in net equity comprises £1.4m of new shares issued in respect of the acquisition of SHCE together with retained earnings for the year of £1.1m, net of dividends paid of £0.3m and foreign exchange revaluation losses, principally in respect of the Russian Rouble's devaluation, of £0.1m.

The net cash position of £1.8m comprises cash and cash equivalents of £1.9m less short term borrowings of £0.1m (2013: £1.1m, £1.3m and £0.2m respectively). As explained in Note 21, the short term borrowing was repayable within one year of the balance sheet date. This outstanding balance was paid off in October 2014, leaving the Group free of debt.

The Group also enjoys the benefit of a secured overdraft facility from our bankers Coutts & Co. No drawings have been made under that facility, but it provides additional headroom in support of the Group's increasingly strong financial position.

The Group has a strong focus on cash management which is common across all of its businesses. It is a requirement that all businesses are cash generative or at least cash neutral. All excess funds are remitted to the Group's head office on a regular basis and any loans or short term funding are subject to formal approval.

	2014 £'000	2013 £'000	2012 £'000
Net funds	**1,778**	1,080	326
Total equity	**5,053**	3,029	2,652
Net gearing	**Nil**	Nil	Nil

There were no changes in the objectives, policies or processes for managing capital during the year. However the Group's head office is increasingly acting as the Group's internal banker, as explained above.

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Outlook

The pipeline of future work has now risen to 51%. This is a small increase compared to the beginning of the previous year at 48%, however the percentage now applies to the enlarged order book of the Group incorporating SHCE and is therefore of a higher base quantum.

	2015	2014	2013
Percentage of budgeted workload secured at the start of the financial year	51%	**48%**	28%

Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the business are as follows:

Levels of property development activity

Changes in development activity levels have a direct impact on the number of projects that are available. These changes can be identified by rises and falls in overall GDP, construction output, planning application submissions, construction tenders and starts, and investment into the property sector. Not all of this information is available in each market place and so we have to adapt to the information flow that is available.

In addressing this risk the Group considers which markets and which clients to focus upon based on the strength of their financial covenants so there is clear ability to provide both project seed capital and geared funding to complete the delivery process. This avoids the dual risk of delays between stages during projects and deferrals of projects.

Operational gearing and funding

In common with other professional services businesses, the Group has a relatively high level of operational gearing, through staffing and property costs, which makes it difficult to reduce costs sufficiently quickly to avoid losses and associated cash outflows, when faced by sharp falls in revenue.

The directors seek to ensure that the Group retains appropriate headroom within its funding arrangements and regularly monitors expected future headroom through the Group's annual budgeting and quarterly forecasting processes.

The Group's principal bankers have been supportive during the economic downturn and in January 2015 renewed the Group's facilities for a further year.

Where possible, the Group deploys three strategies to help reduce operational gearing:

First, the Group has a well developed staffing plan which flexes the total number of staff using a combination of permanent employees, temporary employees, agency staff, and freelance staff as applicable to each legal jurisdiction; and in so doing matches resources to fee paying work as closely as possible, sometimes linking staff retention directly to specific projects.

Second, the Group can sublet or licence occupation of part of its property space to other property related professional services businesses to offset some of the total occupancy cost.

Lastly the Group seeks flexible contract terms with major suppliers such that certain costs can be suspended during times of economic difficulty.

Staff skills and retention

Our business model relies upon a certain standard and number of skilled individuals based on qualifications and project track record. Failure to retain such skills makes the strategies of the Group difficult to achieve.

The Group conducts external surveys to ensure that salaries and benefits are appropriate and comparable to market levels and endeavours to provide a pleasant working environment for staff.

We provide staff training programmes and education assistance, including helping our professionally qualified staff comply with their CPD obligations. Training programmes take various forms including external courses and external speakers.

Quality of technical delivery

In common with other firms providing professional services, the Group is subject to the risk of claims of professional negligence from clients.

The Group seeks to minimise these risks by operating our quality assurance systems which have many facets. These systems include identified individuals whose roles include focusing on maintaining quality assurance standards and spreading best practice.

The Group's principal UK operation is registered under ISO 9001 which reflects the quality of the internal systems under which we work. As part of these registrations an external assessor undertakes regular compliance reviews. In addition, as part of its service to members, the Mutual which provides professional indemnity insurance to the UK and Middle East operations undertakes annual quality control assessments.

The Group maintains professional indemnity insurance in respect of professional negligence claims but is exposed to the cost of excess deductibles on any successful claims.

Contract pricing

All mature markets are subject to downward pricing pressures as a result of wide spectrum of available suppliers to each project. This pressure is increased if activity levels are low such as in the recent economic downturn and global recession. Additionally architects may be under pressure to work without fees (for a time) in order to win a project or retain sufficient qualified staff to complete the project if won. The Group mitigates this risk by focusing on markets where it has clear skills that are well above average, or avoids it by not lowering prices, thus risking the loss of such work. This has proved to have been a sensible approach in the recent downturn as the recession lasted much longer than most commentators expected.

Additionally, all fee proposals to clients are prepared by experienced practice directors who will be responsible for the delivery of the projects. Fee proposals are based on appropriate due diligence regarding the scope and nature of the project, knowledge of similar projects previously undertaken by the Group, and estimates of the resources necessary to deliver the project. Fee proposals for larger projects are subject to review and approval by senior Group management and caveats are included where appropriate.

When acting as general designer for projects located outside the UK, the Group is usually exposed to the risk of actual sub consultant costs varying from those anticipated when the overall fee was agreed with the client. To mitigate this risk, fee proposals are usually sought from sub consultants covering the major design disciplines as part of the process of preparing the overall fee proposal.

Overseas diversification

The Group continues to derive a proportion of its revenues from projects located outside the UK. This offers some protection for the Group by providing diversification but in turn exposes the Group to the economic environments and currencies of those locations. Building regulations, working practices and contractual arrangements often differ in these overseas locations when compared to the UK which may significantly increase the risks to the Group. To mitigate these risks:

The overseas operations are managed by nationals, or highly experienced expatriates, with oversight from senior Group management. All offices are regularly visited by senior Group management and, where applicable joint venture partners, to monitor and review the businesses. There is regular, comprehensive management reporting and KPIs are used to review both contract pricing issues and staffing efficiency.

The Group seeks to work for the larger and more established domestic property developers who themselves often have significant international experience or for international clients.

When acting as general designer for projects located outside the UK the Group always seeks to appoint sub consultants with an established and successful track record on similar projects; and

Within the boundaries imposed by local laws and commercial constraints, the Group seeks to structure contractual arrangements with clients and sub consultants to minimise the significant contractual risks which can arise. In addition as far as possible foreign currency flows are matched to minimise any impact of exchange rate movements and significant exposures are hedged.

Summary

The 2014 results reflect a considerable improvement in our underlying performance and the executive directors are confident that this performance can be maintained as the markets in which we operate also improve.

By order of the Board

Nicholas Thompson
Chief Executive Officer

Beverley Wright
Group Finance Director

28 January 2015

"The 2014 results reflect a considerable improvement in our underlying performance and the executive directors are confident that this performance can be maintained as the markets in which we operate also improve

Directors' report

The directors present their report for the year ended 30 September 2014.

Corporate governance

The UK Corporate Governance Code issued in September 2012 by the Financial Reporting Council sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

Although under the rules of the Alternative Investment Market, the Company is not required to comply with the Code nor state any areas in which it does not comply, the Board has sought to take into account the provisions of the Code in so far as it considers them to be appropriate and practicable for a company of this size. In doing this the Board has considered the Corporate Governance Guidelines for Small and Mid-Size Quoted Companies published in 2013 by the Quoted Companies Alliance.

Board of Directors

The Group is headed by a Board of Directors which leads and controls the Group and which is accountable to shareholders for good corporate governance of the Group.

The Board currently comprises five executive directors and two non executive directors who bring a wide range of experience and skills to the Company.

The Board considers Anthony Simmonds and John Bullough to be independent non executive directors.

The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of matters that are reserved as responsibilities of the Board. The Board has delegated certain authorities to board committees, each with formal terms of reference.

Audit Committee

The main role and responsibility of the Audit Committee is to monitor the integrity of the financial information published by the Group about its financial performance and position. It does this keeping under review the adequacy and effectiveness of the internal financial controls and by reviewing and challenging the selection and application of important accounting policies, the key judgements and estimates made in the preparation of the financial information and the adequacy of the accompanying narrative reporting.

The Audit Committee is also responsible for overseeing the relationship with the external auditor which includes considering their selection, independence, terms of engagement, remuneration and performance. A formal statement of independence is received from the external auditor each year.

It meets at least twice a year with the external auditor to discuss audit planning and the audit findings, with certain executive directors attending by invitation. If appropriate, the external auditor attends part of each committee meeting without the presence of any executive directors.

The Audit Committee currently comprises Anthony Simmonds and he reports to the Board on matters discussed at the Committee meetings.

Remuneration Committee

The Remuneration Committee meets as and when appropriate during the year and is responsible for determining all aspects of the executive directors' remuneration, including share options and the terms and conditions of their service contracts. Where appropriate the Committee consults the Chief Executive Officer about its proposals.

The Remuneration Committee comprises Anthony Simmonds and John Bullough, with John Bullough as Chairman. No director plays a part in any discussion about their own remuneration.

Nomination Committee

The Nomination Committee is responsible for keeping under regular review the size, structure and composition (including the skills, knowledge, experience and diversity) of the Board. This includes considering succession planning for the senior management of the Group, taking into account the skills and expertise expected to be needed in the future.

It is responsible for nominating new candidates for the Board, for which selection criteria are agreed in advance of any new appointment.

The Nomination Committee is chaired by Anthony Simmonds with the other members being Nicholas Thompson and Andrew Murdoch.

Internal controls

The directors acknowledge that they are responsible for the Group's system of internal controls and for reviewing its effectiveness (excluding joint ventures and associates). The directors review all controls including operational, compliance and risk management, as well as financial controls. Risk management and internal control are considered by the directors at Board meetings. Any such system of control is designed to manage risk and can only provide reasonable and not absolute assurance against material misstatement or loss.

Directors

Anthony Simmonds, Duncan Harper and Nicholas Thompson served as Directors of the Company throughout the year ended 30 September 2014.

Andrew Murdoch was appointed to the Board on 10 December 2013 whilst David Hughes and Nick Pell were appointed to the Board on 18 December 2013. John Bullough was appointed on the 2 June 2014 and Beverley Wright was appointed to the Board on the 15 September 2014.

John Vincent retired as director on the 25 March 2014 and Duncan Harper resigned as director on the 10 October 2014.

Biographical details of the current Directors are set out on pages 18 and 19.

Resolutions to elect Beverley Wright and John Bullough, as directors of the Company and to re elect Nicholas Thompson will be proposed at the Annual General Meeting.

The Company maintains directors and officers liability insurance.

Directors' interests

Directors' interests in the shares of the Company were as follows:

Number of ordinary shares	30 September 2014	1 October 2013
Anthony Simmonds	**400,000**	400,000
Nicholas Thompson	**16,602,411**	16,102,411
Andrew Murdoch*	**13,478,486**	-
David Hughes*	**3,058,933**	-
Nick Pell*	**2,226,700**	-
Beverley Wright*	**-**	-
John Bullough*	**-**	-

Duncan Harper was granted the following options in respect of ordinary shares on 11 April 2011:

Exercisable between	Exercise Price	At 1 October 2013	Granted	Exercised	At 30 September 2014
12/04/2013 – 11/04/2017	5.00p	500,000	-	-	**500,000**

The 500,000 share options initially granted lapsed and are no longer exercisable.

Directors' service contracts

The Company's policy is to offer service agreements to executive directors with notice periods of not more than twelve months. Nicholas Thompson and Andrew Murdoch have rolling service contracts with the Company which are subject to twelve months' notice of termination by either party. David Hughes, Nick Pell and Beverley Wright have rolling service contracts with the Company which are subject to six months' notice of termination by either party.

The remuneration packages of executive directors comprise basic salary, car allowance (except David Hughes and Nick Pell), contributions to defined contribution pension arrangements, annual bonus and benefits in kind such as medical expenses insurance.

Non executive directors do not have service contracts with the Company, but the appointment of each is recorded in writing. Their remuneration is determined by the Board. Non executive directors do not receive any benefits in kind and are not eligible for bonuses or participation in either the share option schemes or pension arrangements.

**Not a Director at the beginning of the year.*

Substantial shareholdings

At 28 January 2015 the Company had been informed of the following notifiable interests of three per cent or more in its share capital.

Shareholder	Notes	Number of ordinary shares	Percentage of ordinary shares
Nicholas Thompson	Director of the Company	16,602,411	10.05%
Andrew Murdoch	Director of the Company	13,478,486	8.16%
Jeremy Blake	Former employee of the Group	13,030,638	7.89%
Begonia 365 SL	Controlled by a former Director of the Company	9,515,192	5.76%
Raul Curiel	Former Director of the Company	9,240,018	5.59%
Stephen Atkinson	Employee of the Group	8,260,712	5.00%
River & Mercantile Long Term Recovery Fund		8,150,000	4.93%
John Vincent	Former Director of the Company	5,791,394	3.51%

Share price

The mid market closing price of the shares of the Company at 30 September 2014 was 8.12 pence and the range of mid market closing prices of the shares during the year was between 5.0 pence and 9.75 pence.

Share capital

During the year as part of the business combination the Company issued 19,594,959 new ordinary shares at a price of 7.00 pence per share (note 35).

The Board is seeking from shareholders at the Annual General Meeting renewal of its authority to allot equity securities. The authority would allow the board to allot securities up to a maximum aggregate nominal value of £826,068 representing 50% of the issued share capital of the Company.

A resolution will also be put to the Annual General Meeting in respect of the issue of equity securities for cash up to an aggregate nominal amount of £165,214 representing 10% of the issued share capital, without first offering such shares to shareholders. The directors consider this authority desirable as it will give them the flexibility to make small issues of ordinary shares for cash if suitable opportunities arise without the necessity of first seeking shareholders' approval.

The renewed authorities will expire at the conclusion of the next Annual General Meeting of the Company when it is intended that the directors will again seek their renewal.

Environmental policy

The Group promotes wherever possible a 'green' and ecologically sound policy in all its work, but always takes into account the considerable pressures of budget, commercial constraints and client preferences. Sustainability is essential to our design philosophy and studio ethos. It is an attitude of mind that is embedded within our thinking from the start of any project. We design innovative solutions and focus on:

- incorporating passive design principles that mitigate solar gain and heat loss from the outset;
- reducing energy demand through active and passive renewable energy sources;
- the use of energy and resource efficient materials, methods and forms;
- the re use of existing buildings and materials and flexibility for future change; and importantly
- the careful consideration of the experience and well being of the end user in our buildings.

We believe ourselves to be at the forefront of sustainability amongst our peers which is demonstrated by our track record in achieving 57 'Excellent' or 'Very Good' BREEAM (Building Research Establishment Environmental Assessment Method) ratings awarded to buildings designed by the Group. We have also achieved 1 Ska 'Gold' and 2 Ska 'Silver' environmental assessment ratings and 1 LEED (Leadership in Energy and Environmental Design) 'Gold' award and 1 'Silver' award.

Employees

As a professional services business, the Group's ability to achieve its commercial objectives and to service the needs of its clients in a profitable and effective manner depends upon the contribution of its employees. The Group seeks to keep its employees informed on all material aspects of the business affecting them through the operation of a structured management system, staff presentations and an intranet site.

The Group's employment policies do not discriminate between employees, or potential employees, on the grounds of age, gender, sexual orientation, ethnic origin or religious belief. The sole criterion for selection or promotion is the suitability of any applicant for the job.

It is the policy of the Group to encourage and facilitate the continuing professional development of our employees to ensure that they are equipped to undertake the tasks for which they are employed and to provide the opportunity for career development equally and without discrimination. Training and development is provided and is available to all levels and categories of staff.

It is the Group's policy to give fair consideration to applications for employment for disabled persons wherever practicable and, where existing employees become disabled, efforts are made to find suitable positions for them.

Health and safety

The Group seeks to promote all aspects of health and safety at work throughout its operations in the interests of employees and visitors.

The Group has established a health and safety steering committee chaired by Robert Fry to guide the Group's health and safety policies and activities. Health and safety is included on the agenda of each board meeting.

Group policies on health and safety are regularly reviewed and revised and are made available on the intranet site. Appropriate training for employees is provided on a periodic basis.

Disclosure of information to auditor

Each of the directors who were in office at the date of approval of these financial statements has confirmed that:

So far as they are aware, there is no relevant audit information of which the auditor is unaware; and

They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Future developments

An indication of likely future developments in the business of the Group is contained in the Strategic Report.

Financial instruments

Information concerning the use of financial instruments by the Group is given in notes 28 to 32 of the financial statements.

Dividends

As reported last year, following the improvement in the Group's financial performance and position, dividend payments recommenced with the payment in December 2013 of a dividend of 0.1p per share in respect of the year ended 30 September 2013.

Subsequent to that, on 28 July 2014, an interim dividend of 0.1p per share was paid in respect of the year ended 30 September 2014. On 2 December 2014, a second interim dividend of 0.11p per share was also paid in respect of the year ended 30 September 2014. It is the Board's intention to bring the timing of any future dividends into line with market practice, declaring final and interim dividends at the time of our final and interim results, respectively.

By order of the Board

Beverley Wright
Company Secretary

Aukett Swanke Group Plc
Registered number 2155571

28 January 2015

Statement of directors' responsibilities

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 requirements of 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.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditor's report to the members of Aukett Swanke Group Plc

We have audited the financial statements of Aukett Swanke Group Plc for the year ended 30 September 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statement of financial position, the consolidated and Company statement of cash flows, the consolidated and Company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's ("FRC'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 FRC's website at 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 Group's and the parent Company's affairs as at 30 September 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Nicholas Carter-Pegg (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

28 January 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

For the year ended 30 September 2014

	Note	2014 £'000	2013 £'000
Revenue	3	17,326	8,406
Sub consultant costs		(2,594)	(1,290)
Revenue less sub consultant costs	3	14,732	7,116
Personnel related costs		(9,868)	(4,751)
Property related costs		(2,343)	(1,256)
Other operating expenses		(1,861)	(1,027)
Other operating income		404	217
Operating profit		1,064	299
Finance income	4	-	1
Finance costs	5	(18)	(14)
Profit after finance costs		1,046	286
Share of results of associate and joint ventures		354	264
Profit before tax		1,400	550
Tax charge	10	(354)	(176)
Profit from continuing operations		1,046	374
Profit for the year attributable to equity holders of the Company		1,046	374
Basic and diluted earnings per share			
From continuing operations		0.65p	0.26p
Total earnings per share	11	0.65p	0.26p

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2014

	2014 £'000	2013 £'000
Profit for the year	1,046	374
Other comprehensive income:		
Currency translation differences	(103)	(2)
Currency translation differences recycled on discontinued operations	-	1
Other comprehensive income for the year	(103)	(1)
Total comprehensive income for the year attributable to equity holders of the Company	943	373

Consolidated statement of financial position

At 30 September 2014

	Note	2014 £'000	2013 £'000
Non current assets			
Goodwill	12	1,835	1,369
Other intangible assets	13	594	-
Property, plant and equipment	14	648	326
Investment in associate	16	244	190
Investments in joint ventures	17	131	39
Deferred tax	23	290	454
Total non current assets		3,742	2,378
Current assets			
Trade and other receivables	18	6,379	3,515
Current tax		-	117
Cash and cash equivalents		1,891	1,343
Total current assets		8,270	4,975
Total assets		12,012	7,353
Current liabilities			
Trade and other payables	19	(6,540)	(4,005)
Current tax		(131)	-
Short term borrowings	20	(113)	(150)
Provisions	24	(104)	(50)
Total current liabilities		(6,888)	(4,205)
Non current liabilities			
Long term borrowings	20	-	(113)
Deferred tax	23	(71)	(6)
Total non current liabilities		(71)	(119)
Total liabilities		(6,959)	(4,324)
Net assets		5,053	3,029
Capital and reserves			
Share capital	25	1,652	1,456
Merger reserve		1,176	-
Foreign currency translation reserve		(74)	29
Retained earnings		148	(898)
Other distributable reserve		2,151	2,442
Total equity attributable to equity holders of the Company		5,053	3,029

The financial statements on pages 38 to 74 were approved and authorised for issue by the Board of Directors on 28 January 2015 and were signed on its behalf by:

Nicholas Thompson
Chief Executive Officer

Beverley Wright
Group Finance Director

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Company statement of financial position

At 30 September 2014

	Note	2014 £'000	2013 £'000
Non current assets			
Investments	15	3,467	2,351
Trade and other receivables	18	378	942
Total non current assets		3,845	3,293
Current assets			
Trade and other receivables	18	33	17
Cash and cash equivalents		916	414
Total current assets		949	431
Total assets		4,794	3,724
Current liabilities			
Trade and other payables	19	(1,681)	(1,855)
Total current liabilities		(1,681)	(1,855)
Total liabilities		(1,681)	(1,855)
Net assets		3,113	1,869
Capital and reserves			
Share capital	25	1,652	1,456
Retained earnings		(1,866)	(2,029)
Merger reserve		1,176	-
Other distributable reserve		2,151	2,442
Total equity attributable to equity holders of the Company		3,113	1,869

The financial statements on pages 38 to 74 were approved and authorised for issue by the Board of Directors on 28 January 2015 and were signed on its behalf by:

Nicholas Thompson
Chief Executive Officer

Beverley Wright
Group Finance Director

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Consolidated statement of cash flows

For the year ended 30 September 2014

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
Cash generated from operations	27	**1,360**	646
Interest paid		**(18)**	(14)
Income taxes received		**70**	61
Net cash inflow from operating activities		**1,412**	693
Cash flows from investing activities			
Purchase of property, plant and equipment		**(523)**	(157)
Sale of property, plant and equipment		**4**	4
Acquisition of subsidiary, net of cash acquired		**(57)**	-
Interest received		**-**	1
Dividends received		**184**	210
Net cash generated (used in) / from investing activities		**(392)**	58
Net cash inflow before financing activities		**1,020**	751
Cash flows from financing activities			
Repayment of bank loans		**(150)**	(150)
Payment of asset finance liabilities		**-**	-
Dividends paid		**(291)**	-
Net cash used in financing activities		**(441)**	(150)
Net change in cash, cash equivalents and bank overdraft		**579**	601
Cash and cash equivalents and bank overdraft at start of year		**1,343**	739
Currency translation differences		**(31)**	3
Cash, cash equivalents and bank overdraft at end of year	22	**1,891**	1,343

Company statement of cash flows

For the year ended 30 September 2014

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
Cash generated (used in) / from operations	27	**(164)**	814
Income taxes paid		**-**	-
Net cash (outflow) / inflow from operating activities		**(164)**	814
Cash flows from investing activities			
Purchase of subsidiaries		**(209)**	(814)
Dividends received		**1,166**	210
Net cash generated from investing activities		**957**	(604)
Net cash flow before financing activities		**793**	210
Cash flows from financing activities			
Dividends paid		**(291)**	-
Net cash used in financing activities		**(291)**	-
Net change in cash, cash equivalents and bank overdraft		**502**	210
Cash, cash equivalents and bank overdraft at start of year		**414**	204
Cash, cash equivalents and bank overdraft at end of year		**916**	414

Consolidated statement of changes in equity

For the year ended 30 September 2014

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserve £'000	Merger reserve £'000	Total £'000
At 30 September 2012	1,456	30	(1,276)	2,442	-	2,652
Profit for the year	-	-	374	-	-	374
Other comprehensive income	-	(1)	-	-	-	(1)
Share based payment value of employee services	-	-	4	-	-	4
At 30 September 2013	1,456	29	(898)	2,442	-	3,029
Profit for the year	-	-	1,046	-	-	1,046
Other comprehensive income	-	(103)	-	-	-	(103)
Share based payment value of employee services	-	-	-	-	-	-
Issue of ordinary shares in relation to business combination	196	-	-	-	1,176	1,372
Dividends paid	-	-	-	(291)	-	(291)
At 30 September 2014	**1,652**	**(74)**	**148**	**2,151**	**1,176**	**5,053**

The Other Distributable Reserve was created in September 2007 during a court and shareholder approved process to reduce the capital of the Company.

The Merger Reserve was created through the business combination in the year representing the issue of 19,594,959 new Ordinary Shares at a price of 7.00 pence per share.

All amounts are attributable to the equity holders of the Company.

Company statement of changes in equity

For the year ended 30 September 2014

	Share capital £'000	Retained earnings £'000	Other distributable reserve £'000	Merger reserve £'000	Total £'000
At 30 September 2012	1,456	(1,446)	2,442	-	2,452
Loss for the year	-	(587)	-	-	(587)
Share based payment value of employee services	-	4	-	-	4
At 30 September 2013	1,456	(2,029)	2,442	-	1,869
Profit for the year	-	163	-	-	163
Share based payment value of employee services	-	-	-	-	-
Issue of ordinary shares in relation to business combination	196	-	-	1,176	1,372
Dividends paid	-	-	(291)	-	(291)
At 30 September 2014	**1,652**	**(1,866)**	**2,151**	**1,176**	**3,113**

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The Other Distributable Reserve was created in September 2007 during a court and shareholder approved process to reduce the capital of the Company.

The Merger Reserve was created through the business combination in the year representing the issue of 19,594,959 new Ordinary Shares at a price of 7.00 pence per share.

All amounts are attributable to the equity holders of the Company.

Notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention and on a going concern basis.

New accounting standards, amendments and interpretations applied

No new accounting standards, amendments or interpretations have required any amendments to this year's financial statements.

New accounting standards, amendments and interpretations not yet applied

A review has been undertaken of new accounting standards, amendments and interpretations to existing standards which have been issued but have an effective date making them applicable to future financial statements. The following standards are effective for accounting periods beginning on or after 1 January 2014 and have not yet been adopted by the Group.

i) IFRS 12 'Disclosure of interests in other entities'. Requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

ii) IFRS 15 'Revenues from contracts with customers'. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The Group has yet to assess the full impact of this accounting standard.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Group.

Going concern

The Group's business activities, the principal risks and uncertainties facing the Group, and the financial position of the Group are described in the strategic report. The liquidity risks faced by the Group are further described in note 32.

The Group currently meets its day to day working capital requirements through its cash balances. It maintains its overdraft facility for additional financial flexibility and foreign currency hedging purposes. This overdraft facility was renewed for a further year in January 2015.

The processes the directors have undertaken, and the reasons for the conclusions they have reached, regarding the applicability of a going concern basis are explained below. In undertaking their assessment the directors have followed the guidance issued in 2009 by the Financial Reporting Council entitled Going Concern and Liquidity Risk.

Although the financial performance of the Group has improved significantly, the directors continue to use the Group's pipeline of secure and potential future work to monitor on a continual basis likely forward demand for the Group's services.

Forecasts for the Group have been prepared on a monthly basis which comprise detailed income statements, statements of financial position and cash flow statements for each of the Group's operations.

The base forecasts and projections show the Group should be able to comfortably operate within its currently available facilities and the directors believe this to be the case.

The Group's principal banker is Coutts & Co, with whom the Group has an excellent long term relationship extending through previous business cycles. Coutts & Co have been supportive of the Group in recent difficult economic times and have recently again renewed the Group's facility as described in note 32.

All of the directors, and most members of the Group's senior management, have experience of managing businesses through challenging economic circumstances, in most cases over a number of business cycles.

The Board, after making the enquiries described above, has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board considers it appropriate to prepare the financial statements on a going concern basis.

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Basis of consolidation

The consolidated financial statements incorporate those of the Company and its subsidiaries. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies. Intra group transactions, balances and any unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given and equity instruments issued. Identifiable assets acquired and liabilities assumed in an acquisition are measured initially at their fair values at the acquisition date, irrespective of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

The consolidated financial statements also include the Group's share of the results and reserves of its associates and joint ventures. Where the Group exercises control over the investment jointly with another party it is classified as a joint venture. Other investments where the Group exercises significant influence are classified as associates. Both associates and joint ventures are accounted for using the equity method.

Borrowings

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of any transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank current accounts held at call, bank deposits with very short maturity terms and bank overdrafts. Any bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Company income statement

The Company has taken advantage of the exemption provided by section 408 of the Companies Act 2006 not to present its income statement for the year. The profit of the Company for the year was £163,000 (2013: Loss of £587,000).

Deferred taxation

Deferred income tax is provided in full, using the Statement of Financial Position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax liabilities are recognised in respect of the unremitted earnings of overseas operations where they are expected to be remitted to the United Kingdom in the foreseeable future.

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

Dividends

Dividend payments are recognised as liabilities once they are no longer at the discretion of the Company.

Dividend income from investments is recognised in the income statement when the shareholders' rights to receive payment have been established.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group or Company has become a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value.

Foreign currency

Transactions in currencies other than the functional currency of each operation are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of each Statement of Financial Position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the date of the Statement of Financial Position. Gains and losses arising on retranslation are included in the income statement for the year.

On consolidation, the assets and liabilities of the Group's overseas operations are translated from their functional currencies at exchange rates prevailing at the date of the Statement of Financial Position. Income and expense items are translated from their functional currencies at the average exchange rates for the year. Exchange differences arising are recognised directly in equity and transferred to the Group's foreign currency translation reserve. If an overseas operation is disposed of then the cumulative translation differences are recognised as income or as an expense in the year disposal occurs.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling denominated assets and liabilities.

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Goodwill

Goodwill arising on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired.

Goodwill is tested annually for impairment and an impairment loss would be recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Impairment

At the date of each Statement of Financial Position, a review of property, plant and equipment and intangible assets (excluding goodwill) is carried out to determine whether there is any indication that those assets have suffered any impairment. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of any impairment.

Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash generating unit to which the asset belongs is estimated.

Other intangibles assets

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently the intangible assets are carried at cost less accumulated amortisation and accumulated impairment. Amortisation is charged on straight line basis with the useful economic lives attributed as follows:

Trade name	- 25 years
Customer relationships	- 7 years
Order book	- 3 months

Investments

Investments in subsidiaries, associates and joint ventures are held in the Statement of Financial Position of the Company at historic cost less any allowance for impairment.

Leases and asset finance arrangements

Where asset finance arrangements result in substantially all the risks and rewards of ownership resting with the Group, the arrangement is treated as a finance lease with the assets included in the Statement of Financial Position.

Such assets are initially measured at the present value of the minimum asset finance payments and the present value of future payments is shown as a liability. The interest element of these arrangements is charged to the income statement over the period of the arrangement in proportion to the balance of capital payments outstanding.

All other lease arrangements are treated as operating leases and the annual rentals are charged to income statement on a straight line basis over the lease term.

Where a rent free period is received in respect of a property lease the incentive is considered an integral part of the agreement and the cost of the lease net of the incentive is charged to the income statement on a straight line basis over the lease term.

Operating segments

The Group's reportable operating segments are based on the geographical areas in which its studios are located. These are primarily identified by the different economic characteristics of these locations. Internally the Group prepares discrete financial information for each of its geographical segments.

Each reportable operating segment provides the same type of service to clients, namely integrated professional design services for the built environment and internally the Group does not sub divide its business by type of service.

Other operating expenses

Other operating expenses include legal and professional costs, professional indemnity insurance premiums, marketing expenses and other general expenses.

Property, plant and equipment

All property, plant and equipment is stated at historical cost of acquisition less depreciation and any impairment provisions. Historical cost of acquisition includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of property, plant and equipment is calculated to write off the cost of acquisition over the expected useful economic lives using the straight line method and over the following number of years:

Leasehold improvements	- Unexpired term of lease
Office furniture	- 4 years
Office equipment	- 4 years
Computer equipment	- 2 years

Ownership of property, plant and equipment held under asset finance arrangement reverts to the Group at the end of the arrangement and therefore such assets are depreciated over the same useful economic lives as assets not held under such arrangements.

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Provisions

Provisions are recognised when a present obligation has arisen as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where the effect of the time value of money is material, the provision is based on the present value of future outflows, discounted at the pre tax discount rate that reflects the risks specific to the liability.

Post retirement benefits

Costs in respect of defined contribution pension arrangements are charged to the income statement on an accruals basis in line with the amounts payable in respect of the accounting period. The Group has no defined benefit pension arrangements.

Revenue recognition

Revenue represents the value of services performed for customers under contract (excluding value added taxes). Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the proportion of total time expected to be required to undertake the contract which had been performed.

The amount by which revenue exceeds progress billings is classified as amounts due from customers for contract work and included in trade and other receivables. To the extent progress billings exceed relevant revenue, the excess is classified as advances received from customers for contract work and included in trade and other payables.

Revenue is only recognised when there is a contractual right to consideration and any revenue earned can be estimated reliably. Variations in contract work, claims and incentive payments are only recognised when it is probable they will result in revenue and they are capable of being measured reliably.

Share based payments

The Group has issued share options to certain employees, in return for which the Group receives services from those employees. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions (for example the Company's share price) but excluding the impact of any service or non market performance vesting conditions (for example the requirement of the grantee to remain an employee of the Group).

Non market vesting conditions are included in the assumptions regarding the number of options that are expected to vest. The total expense is recognised over the vesting period. At the end of each period the Group revises its estimates of the number of options expected to vest based on the non market vesting conditions. It recognises the impact of any revision in the income statement with a corresponding adjustment to equity.

The grant by the Company of options over its shares to employees of subsidiary undertakings is treated as a capital contribution. The fair value of employee services received is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Trade receivables

Trade receivables are amounts due from clients for services provided in the ordinary course of business and are stated net of any provision for impairment.

An allowance for impairment of trade receivables is established when there are indicators suggesting that it is uncertain whether all the amounts due will be collectable. Known significant financial difficulties of the client and lengthy delinquency in receipt of payments are considered indicators that a trade receivable may be impaired. Where a trade receivable is considered impaired the carrying amount is reduced using an allowance and the amount of the loss is recognised in the income statement within other operating expenses.

2 Accounting estimates and judgements

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.

In preparing the financial statements, the directors make estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are considered to be:

Recognition of contractual revenue

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the proportion of total time expected to be required to undertake the contract which had been performed.

Estimates of the total time expected to be required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

The amount by which revenue exceeds progress billing is shown as amounts due from customers for contract work in note 18. The amount by which progress billing exceeds revenue is shown as advances received from customers for contract work in note 19.

Impairment of trade receivables

The Group provides architectural, interior design and related services to a wide variety of clients including property developers, owner occupiers and governmental organisations, both in the United Kingdom and overseas.

The Group endeavours to undertake work only for clients who have the financial strength to complete projects but even so, much property development is financed by funds not unconditionally committed at the commencement of the project. Problems with financing can on occasion unfortunately lead to clients being unable to pay their debts either on a temporary or more permanent basis.

The Group monitors receipts from clients closely and undertakes a range of actions if there are indications a client is experiencing funding problems. The Group makes impairment allowances if it is considered there is a significant risk of non payment. The factors assessed when considering an impairment allowance include the ownership of the development site, the general financial strength of the client, likely use / demand for the completed project, and the length of time likely to be necessary to resolve the funding problems.

The Group strives to maintain good relations with clients, but on occasions disputes do arise with clients requiring litigation to recover outstanding monies. In such circumstances, the directors carefully consider the individual facts relating to each case (such as strength of the legal arguments and financial strength of the client) when deciding the level of any impairment allowance.

Further quantitative information concerning trade receivables is shown in note 30.

Impairment of goodwill

Details of the impairment reviews undertaken in respect of the carrying value of goodwill are given in note 12.

Recoverability of deferred tax assets

As shown in note 23, the Group has recognised some deferred tax assets as recoverable, principally in the United Kingdom relating to historic trading losses. These trading losses arose during the three years ended 30 September 2011 as a result of the impact of the difficult economic environment on the business.

As part of the business combination as shown in note 23 further tax losses were acquired in the United Kingdom. These trading losses arose during the years ended 31 December 2011 and 31 December 2012.

As shown in note 3, the United Kingdom operation has returned to profitability and generated significant profits in 2013 and 2014 which has already led to the recovery of a large proportion of the deferred tax assets in the pre acquisition, former Aukett Fitzroy Robinson UK, operations. It is expected with further underlying cost savings emerging as a result of the merger that the acquired losses will be utilised in the near future

The length of time taken to generate sufficient taxable profits to fully utilise these trading losses is primarily dependent on the profile of the recovery of the property development market. In combination with the goodwill impairment review described in note 12, forecasts have been prepared of the projected utilisation of these trading losses.

Historically the property development market has both declined more swiftly and recovered more sharply than the economy as a whole, however for the purposes of these forecasts the directors have prudently assumed that further recovery is slower and steadier than past property cycles.

Based on these forecasts the directors believe that it is probable that the remaining recognised deferred tax assets will be recoverable.

Potential deferred tax assets in jurisdictions where the directors believe that it is not probable that they will be recoverable through future taxable profits have not been recognised. As noted in note 23, the directors have prudently not recognised any deferred tax assets in the pre acquisition Russian operation.

Recognition of fee claim revenue

The nature of the project work undertaken by the Group means sometimes the scale and scope of a project increases after work has commenced. Subsequent changes to the scale and scope of the work may require negotiation with the clients for variations.

Advance agreement of the quantum of variation fees is not always possible, in particular when the timescale for project completion is changing or where the cost of variations cannot be determined until the work has been undertaken.

In such circumstances the revenue recognised is limited to the amounts considered both probably recoverable, and capable of reliable measurement, taking into account all the relevant circumstances of the individual project and client.

3 Operating segments

The Group comprises a single business segment and five separately reportable geographical segments (together with a Group costs segment). Geographical segments are based on the location of the operation undertaking each project.

The Group's associate and joint ventures are all based in Continental Europe.

Income statement segment information

Segment revenue	2014 £'000	2013 £'000
United Kingdom	13,882	6,160
Russia	1,598	1,875
Turkey	853	-
Middle East	993	371
Continental Europe	-	-
Revenue	17,326	8,406

Segment revenue less sub consultant costs	2014 £'000	2013 £'000
United Kingdom	12,779	6,083
Russia	774	781
Turkey	687	-
Middle East	492	252
Continental Europe	-	-
Revenue less sub consultant costs	14,732	7,116

All of the Group's revenue relates to the value of services performed for customers under construction type contracts.

Segment net finance expense	2014 £'000	2013 £'000
United Kingdom	(17)	(12)
Russia	-	-
Turkey	-	-
Middle East	-	-
Continental Europe	-	-
Group costs	(1)	(1)
Net finance expense	(18)	(13)

Segment depreciation	2014 £'000	2013 £'000
United Kingdom	226	138
Russia	19	10
Turkey	12	-
Middle East	2	1
Continental Europe	-	-
Depreciation	259	149

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Segment amortisation	2014 £'000	2013 £'000
United Kingdom	20	-
Russia	1	-
Turkey	61	-
Middle East	-	-
Continental Europe	-	-
Amortisation	82	-

2014 Segment result	Before goodwill impairment £'000	Goodwill impairment £'000	Total £'000
United Kingdom	1,815	-	1,815
Russia	(350)	(125)	(475)
Turkey	90	-	90
Middle East	14	-	14
Continental Europe	354	-	354
Group costs	(398)	-	(398)
Profit before tax	1,525	(125)	1,400

2013 Segment result	Before goodwill impairment £'000	Goodwill impairment £'000	Total £'000
United Kingdom	961	-	961
Russia	(270)	(125)	(395)
Middle East	(132)	-	(132)
Continental Europe	260	-	260
Group costs	(144)	-	(144)
Profit before tax	675	(125)	550

Statement of financial position segment information

Segment assets	2014 £'000	2013 £'000
United Kingdom	4,073	2,399
Russia	236	396
Turkey	194	-
Middle East	336	150
Continental Europe	-	-
Trade receivables and amounts due from customers for contract work	4,839	2,945
Other current assets	3,431	2,030
Non current assets	3,742	2,378
Total assets	12,012	7,353

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Geographical areas

Revenue	2014 £'000	2013 £'000
United Kingdom	13,882	6,160
Country of domicile	13,882	6,160
Russia	1,598	1,875
Turkey	853	-
United Arab Emirates	993	371
Foreign countries	3,444	2,246
Revenue	17,326	8,406

Non current assets	2014 £'000	2013 £'000
United Kingdom	2,675	1,554
Country of domicile	2,675	1,554
Russia	64	139
Czech Republic	7	8
Germany	368	221
Turkey	336	-
United Arab Emirates	2	2
Foreign countries	777	370
Non current assets excluding deferred tax	3,452	1,924
Deferred tax	290	454
Non current assets	3,742	2,378

Major clients

During the year ended 30 September 2014 the Group derived 10% or more of its revenues from 1 (2013: 1) client.

	2014 £'000	2013 £'000
Largest client revenues	2,346	1,400

The largest client revenues for 2014 relate to the United Kingdom operating segment and for 2013 related to the Russian operating segment.

Revenue by project site

The geographical split of revenue based on the location of project sites was:

	2014 £'000	2013 £'000
United Kingdom	12,267	6,114
Russia	1,921	1,875
Turkey	884	-
Middle East	1,744	408
Continental Europe	183	9
Rest of the World	327	-
Revenue	17,326	8,406

4 Finance income

	2014 £'000	2013 £'000
Receivable on bank deposits	-	-
Other finance income	-	1
Total finance income	-	1

5 Finance costs

	2014 £'000	2013 £'000
Payable on bank loans and overdrafts	21	11
Other finance costs	(3)	3
Total finance costs	18	14

6 Auditor remuneration

During the year the Group incurred the following costs in relation to the Company's auditor and associates of the Company's auditor:

	2014 £'000	2013 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	37	24
Fees payable to the Company's auditor and its associates for other services		
Audit of the Company's subsidiaries pursuant to legislation	91	50
Non audit services – corporate finance advisory	30	-

The figures presented above are for Aukett Swanke Group Plc and its subsidiaries as if they were a single entity. Aukett Swanke Group Plc has taken the exemption permitted by United Kingdom Statutory Instrument 2008/489 to omit information about its individual accounts.

7 Employee information

The average number of persons employed by the Group during the year was as follows:

	2014 Number	2013 Number
Technical	173	81
Administrative	45	23
Total	218	104

In addition to the number of staff disclosed above, the Group's associate and joint ventures employed an average of 71 persons (2013: 60 persons).

The costs of the persons employed by the Group during the year were:

	2014 £'000	2013 £'000
Wages and salaries	7,336	3,707
Social security costs	842	407
Contributions to defined contribution pension arrangements	267	87
Total including discontinued operation	8,445	4,201

The wages and salaries costs above include £9,000 of restructuring costs (2013: £52,000).

The Group contributes to defined contribution pension arrangements for its employees both in the UK and overseas. The assets of these arrangements are held by financial institutions entirely separately from those of the Group.

The Group's Turkish subsidiary is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employees to receive termination indemnity payments.

8 Operating leases

The operating lease payments recognised as an expense during the year were:

	2014 £'000	2013 £'000
Property	**1,109**	622
Plant and equipment	**22**	12
Total	**1,131**	634

9 Directors' emoluments

Under the terms of the acquisition one director waived salary during the year of £4,000. In the prior year three directors waived salary in response to market conditions totalling £68,000.

2014	Aggregate emoluments £'000	Pension contributions £'000	Total received £'000	Waived £'000	Total entitlement £'000
Andrew Murdoch	117	13	130	-	130
Anthony Simmonds	37	-	37	-	37
Beverley Wright	7	1	8	-	8
David Hughes	133	1	134	-	134
Duncan Harper	110	15	125	-	125
John Bullough	10	-	10	-	10
John Vincent	40	4	44	-	44
Nicholas Thompson	223	28	251	-	251
Nick Pell	84	1	85	4	89
Total	**761**	**63**	**824**	**4**	**828**

Beverley Wright was appointed 15 September 2014

Duncan Harper resigned on 10 October 2014

John Vincent retired on 27 March 2014

John Bullough was appointed 2 June 2014

David Hughes and Nick Pell were appointed 18 December 2013

Andrew Murdoch was appointed 10 December 2013

2013	Aggregate emoluments £'000	Pension contributions £'000	Total received £'000	Waived £'000	Total entitlement £'000
Anthony Simmonds	30	-	30	-	30
Duncan Harper	88	25	113	23	136
John Vincent	52	3	55	13	68
Nicholas Thompson	164	7	171	32	203
Total	334	35	369	68	437

Aggregate emoluments include bonuses awarded.

Benefits were accruing to seven executive directors (2013: three executive directors) under defined contribution pension arrangements.

The aggregate emoluments of the highest paid director were £223,000 (2013: £164,000).

10 Tax charge

	2014 £'000	2013 £'000
Current tax	**100**	(29)
Adjustment in respect of previous years	**-**	-
Total current tax	**100**	(29)
Origination and reversal of temporary differences	**275**	147
Changes in tax rates	**(21)**	58
Total deferred tax (note 23)	**254**	205
Total tax charge	**354**	176

The standard rate of corporation tax in the United Kingdom reduced from 24% to 23% in April 2013 and from 23% to 21% in April 2014. It will reduce further to 20% in April 2015.

The tax assessed for the year differs from the United Kingdom standard rate as explained below:

	2014 £'000	2013 £'000
Profit before tax	**1,400**	550
Profit before tax multiplied by the standard rate of corporation tax in the United Kingdom of 22% (2013: 23.5%)	**308**	129
Effects of:		
Non tax deductible goodwill impairment	**28**	29
Other non tax deductible expenses	**72**	29
Differences in overseas tax rates	**(4)**	(7)
Associate and joint ventures reported net of tax	**(78)**	(62)
Impact on deferred tax of change in UK tax rate	**(20)**	58
Tax losses not recognised	**77**	-
Utilisation of previously unrecognised tax losses	**(29)**	-
Current tax adjustment in respect of previous years	**-**	-
Deferred tax adjustment in respect of previous years	**-**	-
Total tax charge	**354**	176

11 Earnings per share

The calculations of basic and diluted earnings per share are based on the following data:

Earnings	2014 £'000	2013 £'000
Continuing operations	**1,046**	374
Profit for the year	**1,046**	374

Number of shares	2014 Number	2013 Number
Weighted average of Ordinary Shares in issue	**161,026,436**	145,618,693
Effect of dilutive options	**463,370**	-
Diluted weighted average of ordinary shares in issue	**161,489,806**	145,618,693

As explained in note 26 the Company has granted options over 1,500,000 of its Ordinary Shares. These have been included above as the average share price was above the exercise price in 2014 and they therefore have a dilutive effect.

12 Goodwill

Group

	£'000
Cost	
At 1 October 2012	1,494
At 30 September 2013	1,494
Acquisition of subsidiary (note 35)	605
Exchange differences	(14)
At 30 September 2014	**2,085**
Impairment	
At 30 September 2013	125
Charge	125
At 30 September 2014	**250**
Net book value	
At 30 September 2014	**1,835**
At 30 September 2013	1,369
At 30 September 2012	1,494

The net book value of goodwill is allocated to the Group's cash generating units as follows:

	United Kingdom £'000	Russia £'000	Turkey £'000	Total £'000
At 30 September 2012	1,244	250	-	1,494
Additions	-	-	-	-
Impairment	-	(125)	-	(125)
At 30 September 2013	1,244	125	-	1,369
Acquisition of subsidiary	496	25	70	591
Impairment	-	(125)	-	(125)
At 30 September 2014	**1,740**	**25**	**70**	**1,835**

The goodwill allocated to each cash generating unit is tested annually for impairment.

The recoverable amount of a cash generating unit is determined based on value in use calculations. These calculations use pre tax cash flow projections based on financial budgets and forecasts covering a five year period. Cash flows beyond the five year period are extrapolated using long term average growth rates.

The carrying value of goodwill allocated to the United Kingdom is significant in comparison with the total carrying value of goodwill but the carrying value of goodwill allocated to Russia and Turkey is not.

The key assumptions in the discounted cash flow projections for the United Kingdom operation are:

- The future level of revenue - which is based on knowledge of past property development cycles and external forecasts such as the construction forecasts published by Experian. Historically the property development market has both declined more swiftly and recovered more sharply than the economy as a whole.
- The future level of costs – which is based on the expected variability with revenue of the various types of expenditure incurred, and in particularly the average revenue earning capacity of members of staff. These assumptions are based on historical experience and an assessment of the current cost base;
- Long term growth rate – which has been assumed to be 2.4% per annum based on the average historical growth in gross domestic product in the United Kingdom over the past fifty years; and
- The discount rate – which is the Group's pre tax weighted average cost of capital and has been assessed at 19% (2013: 16%). This is considered appropriate as the United Kingdom operation produces the majority of the Group's revenue less sub consultant costs.

As explained in the strategic report, the recent financial performance of the Group's Russian operation has been below management expectations. The operation has been unable to secure sufficient work for the past year to cover its operating costs. The acquisition of Swanke Hayden Connell's Russian segment and the merger of the two studios into one single studio at the end of the year ended 30 September 2014 is, however, expected to produce significant cost savings.

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In these circumstances an indicator of impairment was present and the directors duly recognised an impairment charge of £125,000 representing the remaining 50% of the goodwill previously allocated to the Group's pre acquisition Russian operation. The goodwill allocated to the pre acquisition Russian operation is now fully impaired. The residual goodwill in Russia arose on the acquisition of SHCE in the year. A 22% discount rate (2013: 22%) has been used in the impairment test reflecting the inherently higher risks considered to affect the Russian operation. This impairment charge is included within other operating expenses in the income statement.

13 Other intangible assets

Group

	Trade name £'000	Customer relationships £'000	Order book £'000	Total £'000
Cost	-	-	-	-
At 30 September 2012	-	-	-	-
Additions	-	-	-	-
Exchange differences	-	-	-	-
At 30 September 2013	-	-	-	-
Acquisition of subsidiary (note 35)	415	249	40	704
Exchange differences	(13)	(15)	(4)	(32)
At 30 September 2014	**402**	**234**	**36**	**672**
Amortisation				
At 30 September 2012	-	-	-	-
Charge	-	-	-	-
Exchange differences	-	-	-	-
At 30 September 2013	-	-	-	-
Charge	13	29	40	82
Exchange differences	-	-	(4)	(4)
At 30 September 2014	**13**	**29**	**36**	**78**
Net book value				
At 30 September 2014	**389**	**205**	**-**	**594**
At 30 September 2013	-	-	-	-
At 30 September 2012	-	-	-	-

Amortisation is included in other operating charges in the consolidated income statement.

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14 Property, plant and equipment

Group	Leasehold improvements £'000	Furniture and equipment £'000	Total £'000
Cost			
At 30 September 2012	317	746	1,063
Additions	-	157	157
Disposal of subsidiary	-	-	-
Other disposals	-	(84)	(84)
Exchange differences	-	(3)	(3)
At 30 September 2013	317	816	1,133
Additions	241	282	523
Acquisition of subsidiary (note 35)	16	53	69
Disposals	(184)	(231)	(415)
Exchange differences	(8)	(47)	(55)
At 30 September 2014	**382**	**873**	**1,255**
Depreciation			
At 30 September 2012	129	615	744
Charge	32	117	149
Disposal of subsidiary	-	-	-
Other disposals	-	(84)	(84)
Exchange differences	-	(2)	(2)
At 30 September 2013	161	646	807
Charge	67	192	259
Disposals	(177)	(231)	(408)
Exchange differences	(11)	(40)	(51)
At 30 September 2014	**40**	**567**	**607**
Net book value			
At 30 September 2014	**342**	**306**	**648**
At 30 September 2013	156	170	326
At 30 September 2012	188	131	319

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15 Investments

Company	Subsidiaries £'000	Joint ventures £'000	Associate £'000	Total £'000
Cost				
At 30 September 2012	4,532	21	12	4,565
Additions	818	-	-	818
Disposals	-	-	-	-
At 30 September 2013	5,350	21	12	5,383
Additions	1,581	-	-	1,581
Disposals	-	-	-	-
At 30 September 2014	**6,931**	**21**	**12**	**6,964**
Provisions				
At 30 September 2012	2,872	-	-	2,872
Charge	160	-	-	160
At 30 September 2013	3,032	-	-	3,032
Charge	465	-	-	465
At 30 September 2014	**3,497**	**-**	**-**	**3,497**
Net book value				
At 30 September 2014	**3,434**	**21**	**12**	**3,467**
At 30 September 2013	2,318	21	12	2,351
At 30 September 2012	1,660	21	12	1,693

The impairment charge of £465,000 recognised during the year relates to the Company's investment in ZAO Aukett Fitzroy Vostok where, as a result of the matters described in note 12, the value of that subsidiary is considered to have suffered a permanent diminution.

Principal operations

The principal operations at 30 September 2014, all of whom provide architectural and design services, were as follows:

Name	Country of Incorporation	Class and proportion of shares held
Subsidiaries		
Aukett Fitzroy Robinson Limited	England & Wales	Ordinary 100%
Fitzroy Robinson Limited	England & Wales	Ordinary 100%
Aukett Fitzroy Robinson International Limited	England & Wales	Ordinary 100%
Veretec Limited	England & Wales	Ordinary 100%
ZAO Aukett Fitzroy Vostok	Russia	Ordinary 100%
Swanke Hayden Connell Europe Limited	England & Wales	Ordinary 100%
Swanke Hayden Connell International Limited	England & Wales	Ordinary 100%
Swanke Hayden Connell Mimarlik AS	Turkey	Ordinary 100%
Joint ventures		
Aukett + Heese Frankfurt GmbH	Germany	Ordinary 50%
Aukett sro	Czech Republic	Ordinary 50%
Associate		
Aukett + Heese GmbH	Germany	Ordinary 25%

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All the principal operations other than Swanke Hayden Connell International Limited and Swanke Hayden Connell Mimarlik A.S. are owned directly by the Company.

Although Aukett Fitzroy Robinson International Limited is incorporated in England & Wales, it operates principally through its Middle East branch which is registered in the Abu Dhabi Emirate of the United Arab Emirates.

16 Investment in associate

As disclosed in note 15, the Group owns 25% of Aukett + Heese GmbH which is based in Berlin.

	£'000
At 30 September 2012	157
Share of profits	234
Dividends paid	(210)
Exchange differences	9
At 30 September 2013	190
Share of profits	254
Dividends paid	(184)
Exchange differences	(16)
At 30 September 2014	**244**

The following amounts represent the Group's 25% share of the assets and liabilities, and revenue and profits of Aukett + Heese GmbH.

	2014 £'000	2013 £'000
Assets	625	560
Liabilities	(381)	(370)
Net assets	244	190

	2014 £'000	2013 £'000
Revenue	1,473	1,355
Sub consultant costs	(389)	(331)
Revenue less sub consultant costs	1,084	1,024
Operating costs	(720)	(689)
Profit before tax	364	335
Taxation	(110)	(101)
Profit after tax	254	234

17 Investments in joint ventures

Frankfurt

As disclosed in note 15, the Group owns 50% of Aukett + Heese Frankfurt GmbH which is based in Frankfurt.

	£'000
At 1 October 2012	7
Share of profits	24
Exchange differences	-
At 30 September 2013	31
Share of profits	101
Exchange differences	(8)
At 30 September 2014	**124**

The following amounts represent the Group's 50% share of the assets and liabilities, and revenue and expenses of Aukett + Heese Frankfurt GmbH.

	2014 £'000	2013 £'000
Assets		
Non current assets	15	3
Current assets	360	153
Total assets	375	156
Liabilities		
Current liabilities	(251)	(125)
Non current liabilities	-	-
Total liabilities	(251)	(125)
Net assets	124	31

	2014 £'000	2013 £'000
Revenue	718	261
Sub consultant costs	(263)	(13)
Revenue less sub consultant costs	455	248
Operating costs	(309)	(219)
Profit before tax	146	29
Taxation	(45)	(5)
Profit after tax	101	24

Prague

As disclosed in note 15, the Group owns 50% of Aukett sro which is based in Prague.

	£'000
At 1 October 2012	2
Share of profits	6
Exchange differences	-
At 30 September 2013	8
Share of profits	(1)
Exchange differences	-
At 30 September 2014	**7**

The following amounts represent the Group's 50% share of the assets and liabilities of Aukett sro.

	2014 £'000	2013 £'000
Assets		
Non current assets	1	-
Current assets	58	94
Total assets	59	94
Liabilities		
Current liabilities	(52)	(86)
Non current liabilities	-	-
Total liabilities	(52)	(86)
Net assets	7	8

	2014 £'000	2013 £'000
Revenue	206	209
Sub consultant costs	(55)	(55)
Revenue less sub consultant costs	151	154
Operating costs	(152)	(148)
Profit before tax	(1)	6
Taxation	-	-
Profit after tax	(1)	6

18 Trade and other receivables

Group	2014 £'000	2013 £'000
Gross trade receivables	4,302	3,310
Impairment allowances	(44)	(642)
Net trade receivables	4,258	2,668
Amounts due from customers for contract work	581	277
Amounts owed by associate and joint ventures	48	113
Other receivables	685	211
Prepayments	807	246
Total	6,379	3,515

Company	2014 £'000	2013 £'000
Amounts due after more than one year		
Amounts owed by subsidiaries	330	829
Amounts owed by associate and joint ventures	48	113
Total amounts due after more than one year	378	942
Amounts due within one year		
Other receivables	10	10
Prepayments	23	7
Total amounts due within one year	33	17
Total	411	959

The amounts owed by subsidiaries were secured in January 2013 by debentures over all the assets of the relevant subsidiaries. These debentures rank after the debentures securing the bank loan and overdraft.

19 Trade and other payables

Group	2014 £'000	2013 £'000
Trade payables	808	361
Advances received from customers for contract work	2,472	2,065
Amounts due to associate and joint ventures	31	-
Other taxation and social security	921	614
Other payables	207	32
Accruals	2,101	933
Deferred income	-	-
Total	6,540	4,005

Company	2014 £'000	2013 £'000
Trade payables	22	9
Amounts owed to subsidiaries	1,497	1,740
Other payables	2	1
Accruals	160	105
Total	1,681	1,855

20 Borrowings

Group

Short term borrowings	2014 £'000	2013 £'000
Secured bank overdraft	-	-
Secured bank loan (note 21)	113	150
Total	113	150

The secured bank overdraft is repayable on demand.

Long term borrowings	2014 £'000	2013 £'000
Secured bank loan (note 21)	-	113
Total	-	113

21 Secured bank loan

Group	2014 £'000	2013 £'000
Instalments repayable within one year	113	150
Current liability	113	150
Instalments repayable between one and two years	-	113
Instalments repayable between two and five years	-	-
Non current liability	-	113
Total	113	263

The bank loan and overdraft are secured by debentures over all the assets of the Company and certain of its United Kingdom subsidiaries. The bank loan and overdraft carry interest at 2.5% above the United Kingdom bank base rate.

22 Analysis of net funds

Group	2014 £'000	2013 £'000
Cash and cash equivalents	1,891	1,343
Secured bank overdraft	-	-
Cash, cash equivalents and bank overdraft	1,891	1,343
Secured bank loan (note 21)	(113)	(263)
Net funds	1,778	1,080

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23 Deferred tax

Group	Tax depreciation on plant and equipment £'000	Trading losses £'000	Unremitted overseas earnings £'000	Other temporary differences £'000	Total £'000
At 30 September 2012	31	586	(19)	57	655
Income statement	16	(227)	13	(7)	(205)
Exchange differences	-	(2)	-	-	(2)
At 30 September 2013	47	357	(6)	50	448
Acquisition of subsidiary	83	64	-	(120)	27
Income statement	(65)	(190)	6	(5)	(254)
Exchange differences	-	(6)	-	4	(2)
At 30 September 2014	**65**	**225**	**-**	**(71)**	**219**

Group	2014 £'000	2013 £'000
Deferred tax assets	290	454
Deferred tax liabilities	(71)	(6)
Net deferred tax balance	219	448

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of £77,000 (2013: £Nil) in respect of losses amounting to £385,000 (2013: £Nil) that can be carried forward against future taxable income in its pre acquisition Russian operation.

Further information regarding the assessment of the recoverability of deferred tax assets is given in note 2.

The Company has no deferred tax assets or liabilities.

24 Provisions

Group	Redundancy provision £'000	Property lease provision £'000	Employee benefit obligations £'000	Total £'000
At 1 October 2012	21	300	-	321
Utilised	(6)	(300)	-	(306)
Released	(15)	-	-	(15)
Provided	-	50	-	50
Exchange differences	-	-	-	-
At 30 September 2013	-	50	-	50
On acquisition of subsidiary	-	259	33	292
Utilised	-	(246)	-	(246)
Released	-	(11)	-	(11)
Provided	7	-	12	19
Exchange differences	-	-	-	-
At 30 September 2014	**7**	**52**	**45**	**104**

Redundancy provision

The redundancy provision relates to the expected costs of reducing staff numbers to better match staffing resources with projected workload. The provision arises from obligations contained in employment contracts and statutory obligations.

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Property lease provision

During 2012 one of the Group's subsidiaries received a claim from its former landlord in respect of former leased premises.

This claim comprised a number of separate, but related and potentially interdependent elements, including various repairs and replacements (dilapidations), professional fees, loss of rent, interest and costs.

In March 2013 the subsidiary reached a court approved full and final settlement with its former landlord of £350,000. Of this settlement amount £50,000 was deferred and paid in October 2013. The provision arises from obligations contained in former property lease agreements.

During the year, on the acquisition of SHCE, refurbishment work was undertaken in respect of the subsidiaries' occupation of the second floor of their London premises. This resulted in the utilisation of the brought forward provision for this floor of £196,000, with the remainder of the provision of £11,000 recognised for the second floor released to the profit and loss statement.

The provision carried forward at 30 September 2014 is the future estimated cost of work to be performed after seeking appropriate external professional advice for the ground and first floor of its London premises, on obligations arising under the lease.

Employee benefit obligations

The Group's Turkish subsidiary is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employees to receive termination indemnity. The liability has been measured in line with IAS 19.

25 Share capital

Group and Company	2014 £'000	2013 £'000
Allocated, called up and fully paid		
165,213,652 (2013: 145,618,693) Ordinary Shares of 1p each	1,652	1,456

	Number
At 1 October 2012	145,618,693
No changes	-
At 30 September 2013	145,618,693
Issue of Ordinary Shares related to business combination	19,594,959
At 30 September 2014	**165,213,652**

The objectives, policies and processes for managing capital are outlined in the strategic report.

26 Share options

The Company has granted options over its Ordinary Shares to Group employees as follows:

Granted	At 1 October 2013 Number	Granted Number	At 30 September 2014 Number	Exercise price Pence	Earliest exercisable date	Latest exercisable date
11 April 2011	1,500,000	-	1,500,000	5.00	12 April 2013	11 April 2017
Total	1,500,000	-	1,500,000			

The share options were granted on 11 April 2011 and vest after two years' service. They are exercisable between two and six years after grant.

Of the 1,500,000 options granted, 500,000 relate to Duncan Harper who resigned as a Director on 10 October 2014. The 500,000 share options initially granted lapsed and are no longer exercisable.

The fair value of these share options has been estimated at £14,000 using the Black-Scholes option pricing models model with the following inputs:

Input	Value
Share price at date of grant	3.00 pence
Exercise price	5.00 pence
Expected option life	4 years
Expected volatility	55%
Expected dividends	Nil
Risk free interest rate	2.65%

The expected volatility was estimated based on the historical volatility over the three years prior to grant.

27 Cash generated from operations

Group	2014 £'000	2013 £'000
Profit before tax – continuing operations	1,400	550
Currency translation differences recycled	-	1
Share based payment value of employee services	-	4
Finance income	-	(1)
Finance costs	18	14
Share of results of associate and joint ventures	(354)	(264)
Goodwill impairment provision / write off	125	125
Intangible amortisation	82	-
Depreciation	259	149
Profit on disposal of property, plant and equipment	(4)	(4)
Change in trade and other receivables	(604)	(1,022)
Change in trade and other payables	676	1,365
Change in provisions	(238)	(271)
Net cash generated from operations	1,360	646

Company	2014 £'000	2013 £'000
Profit / (loss) before income tax	163	(587)
Dividends received	(1,166)	(210)
Provision against investment in subsidiary	465	160
Change in trade and other receivables	270	728
Change in trade and other payables	104	723
Net cash generated (used by) / from operations	(164)	814

28 Financial instruments

Risk management

The Company and the Group hold financial instruments principally to finance their operations or as a direct consequence of their business activities. The principal risks considered to arise from financial instruments are foreign currency risk and interest rate risk (market risks), counterparty risk (credit risk) and liquidity risk. Neither the Company nor the Group trade in financial instruments.

Categories of financial assets and liabilities

Group	2014 £'000	2013 £'000
Trade receivables	4,258	2,668
Amounts due from customers for contract work	581	277
Amounts owed by associate and joint ventures	48	113
Other receivables	685	211
Cash and cash equivalents	1,891	1,343
Loans and receivables	7,463	4,612
Trade payables	(808)	(361)
Other payables	(207)	(32)
Amounts due to associate and joint ventures	(31)	-
Accruals	(2,010)	(933)
Secured bank loan	(113)	(263)
Provisions	(104)	(50)
Financial liabilities measured at amortised cost	(3,273)	(1,639)
Net financial instruments	4,190	2,973

Company	2014 £'000	2013 £'000
Amounts owed by subsidiaries	330	829
Amount owed by associate & joint ventures	48	113
Other receivables	10	10
Cash and cash equivalents	916	414
Loans and receivables	1,304	1,366
Trade payables	(22)	(9)
Amounts owed to subsidiaries	(1,497)	(1,740)
Other payables	(2)	(1)
Accruals	(160)	(105)
Financial liabilities measured at amortised cost	(1,681)	(1,855)
Net financial instruments	(377)	(489)

The directors consider that there were no material differences between the carrying values and the fair values of all the Company's and all the Group's financial assets and financial liabilities at each year end based on the expected future cash flows.

Collateral

As disclosed in note 21 the bank loan and overdraft are secured by a debenture over all the present and future assets of the Company and certain of its United Kingdom subsidiaries. The carrying amount of the financial assets covered by this debenture were:

	2014 £'000	2013 £'000
Group	13,011	7,019
Company	1,625	1,417

Other receivables in the consolidated Statement of Financial Position include a £148,000 rent security deposit (2013: £148,000) in respect of one of the Group's London studio premises and a £44,000 rent deposit (2013: £31,000) in respect of the Group's Moscow studio premises.

29 Foreign currency risk

The Group's operations seek to contract with customers and suppliers in their own functional currencies to minimise exposure to foreign currency risk, however, for commercial reasons contracts are occasionally entered into in foreign currencies.

Where contracts are denominated in other currencies the Group usually seeks to minimise net foreign currency exposure from recognised project related assets and liabilities by using foreign currency denominated overdrafts.

The Group does not hedge future revenues from contracts denominated in other currencies due to the rights of clients to suspend or cancel projects. The Board has taken a decision not to hedge the net assets of the Group's overseas operations.

The denomination of financial instruments by currency was:

Group	2014 £'000	2013 £'000
Czech Koruna	48	67
EU Euro	(6)	(4)
Polish Zloty	(25)	(33)
Russian Rouble	244	180
UAE Dirham	461	101
UK Sterling	3,580	2,436
US Dollar	(151)	226
Turkish Lira	39	-
Other	-	-
Net financial instruments	4,190	2,973

Company	2014 £'000	2013 £'000
Czech Koruna	48	67
EU Euro	18	(2)
UK Sterling	(403)	(556)
US Dollar	(40)	2
Net financial instruments	(377)	(489)

A 10% weakening of UK sterling against all currencies at 30 September would have increased / (decreased) equity by the amounts shown below. This analysis is applied currency by currency in isolation (i.e. ignoring the impact of currency correlation and assumes that all other variables, in particular interest rates, remain consistent). A 10% strengthening of UK sterling against all currencies would have an equal but opposite effect.

	2014		2013	
	Profit £'000	Equity £'000	Profit £'000	Equity £'000
Group	56	13	49	3
Company	3	-	7	-

The following foreign exchange (losses) / gains arising from financial assets and financial liabilities have been recognised in the income statement:

	2014 £'000	2013 £'000
Group	(13)	(6)
Company	(10)	7

The Group's exchange loss of 13,000 (2013: loss of £6,000) includes cumulative exchange reserve losses of £Nil (2013: gains £1,000) recycled through the income statement on discontinued operations.

30 Counterparty risk

Group

No collateral is held in respect of any financial assets and therefore the maximum exposure to credit risk at the date of the statement of financial position is the carrying value of financial assets shown in note 28.

Counterparty risk is only considered significant in relation to trade receivables, amounts due from customers for contract work, other receivables and cash and cash equivalents.

The ageing of trade receivables against which no impairment allowance has been made, as the directors consider their recovery is probable, was:

	2014 £'000	2013 £'000
Not overdue	2,259	1,495
Between 0 and 30 days overdue	776	559
Between 30 and 60 days overdue	353	427
Greater than 60 days overdue	870	187
Total	4,258	2,668

The movement on impairment allowances for trade receivables was as follows:

	£'000
At 1 October 2012	654
Release to the income statement	(11)
Allowance utilised	-
Exchange differences	(1)
At 30 September 2013	642
Acquisition of subsidiary	3
Release to the income statement	(57)
Allowance utilised	(541)
Exchange differences	(3)
At 30 September 2014	44

All of the trade receivables considered to be impaired were greater than 90 days overdue.

The processes undertaken when considering whether a trade receivable may be impaired are set out in note 2. All amounts overdue have been individually considered for any indications of impairment and provision for impairment made where considered appropriate.

The concentration of counterparty risk within the £4,839,000 (2013: £2,945,000) of trade receivables and amounts due from customers for contract work is illustrated in the table below showing the three largest exposures to individual clients at 30 September.

	2014 £'000	2013 £'000
Largest exposure	932	493
Second largest exposure	612	352
Third largest exposure	309	240

The Group's principal banker is Coutts & Co, a member of the Royal Bank of Scotland group.

At 30 September 2014 the largest exposure to a single financial institution represented 69% (2013: 88%) of the Group's cash and cash equivalents.

Company

The Company does not have any trade receivables or amounts due from customers for contract work.

The amounts owed by subsidiaries were secured in January 2013 by debentures over all the assets of the relevant subsidiaries. These debentures rank after the debentures securing the bank loan and overdraft. Prior to this all amounts owed by subsidiaries and by associate and joint ventures were unsecured. The amounts owed by associate and joint ventures remain unsecured.

All of the Company's cash and cash equivalents are held by Coutts & Co.

The Company is exposed to counterparty risk though the guarantees set out in note 33.

31 Interest rate risk

Group	2014 £'000	2013 £'000
Amounts due from associate and joint ventures	-	46
Other receivables	148	148
Secured bank loan	(113)	(263)
Interest bearing financial instruments	35	(69)

Company	2014 £'000	2013 £'000
Amounts due from associate and joint ventures	-	46
Secured bank overdraft	(43)	(48)
Interest bearing financial instruments	(43)	(2)

The amounts due from associate and joint ventures earn interest at 0.5%.

The property rent deposit earns variable rates of interest based on short term inter bank lending rates.

Due to the current low levels of worldwide interest rates and Group treasury management requirements, the cash and cash equivalents are in practice currently not interest bearing, and therefore have not been included in interest bearing financial instruments disclosures.

The bank loan and overdraft carry interest at 2.5% above the United Kingdom bank base rate.

A 1% rise in worldwide interest rates would have the following impact on profit, assuming that all other variables, in particular the interest bearing balance remain constant. A 1% fall in worldwide interest rates would have an equal but opposite effect.

	2014 £'000	2013 £'000
Group	1	(1)
Company	(1)	-

32 Liquidity risk

All of the Group's and the Company's financial liabilities mature within one year except for the ten year amortising bank loan which is used to provide long term funding. The maturity profile of the bank loan is shown in note 21.

The Group's cash balances are held at call or on deposit with very short maturity terms.

At 30 September 2014 the Group had £750,000 (2013: £750,000) of undrawn borrowing facility under its £750,000 (2013: 750,000) United Kingdom bank overdraft facility.

In January 2015 Coutts & Co renewed the £750,000 overdraft facility which is now next due for review in December 2015. The Group repaid its gross borrowing shown below on the 1 October 2014.

The maturity analysis of borrowings, including contractual payments of floating rate interest is as shown below:

Gross borrowings	2014 £'000	2013 £'000
Instalments repayable within one year	113	152
Instalments repayable between one and two years	-	118
Instalments repayable between two and five years	-	-
Total gross borrowings	113	270
Expected future finance charges	-	(7)
Total net borrowings	113	263

33 Guarantees, contingent liabilities and other commitments

A cross guarantee and offset agreement is in place between the Company and certain of its United Kingdom subsidiaries in respect of the United Kingdom bank loan and overdraft facility. Details of the UK bank loan are disclosed in note 21. At 30 September 2014 the overdrafts of its United Kingdom subsidiaries guaranteed by the Company totalled £276,000 (2013: £189,000).

The Company and certain of its United Kingdom subsidiaries are members of a group for Value Added Tax ('VAT') purposes. At 30 September 2014 the net VAT payable balance of those subsidiaries was £452,000 (2013: £459,000).

In common with other firms providing professional services, the Group is subject to the risk of claims of professional negligence from clients. The Group maintains professional indemnity insurance in respect of these risks but is exposed to the cost of excess deductibles on any successful claims. The directors assess each claim and make accruals for excess deductibles where, on the basis of professional advice received, it is considered that a liability is probable.

The Group had the following aggregate commitments under operating leases.

	2014 £'000	2013 £'000
Not later than one year	1,137	576
Later than one year and not later than five years	2,355	1,785
Later than five years	-	-
Total	3,492	2,361

The Group's most significant lease relates to its two London studio premises which comprises £3,144,000 (2013: £2,254,000) of the amounts shown in the table above.

The lease of its York Way studio does not contain any break clauses, expires in July 2018 and had an upwards only rent review in July 2013 which has been agreed post year end.

The lease of its Christopher Street studio expires in September 2017.

The Company has no operating lease commitments (2013: £Nil).

At both 30 September 2014 and 2013 neither the Group nor the Company had any capital commitments in respect of property, plant and equipment.

34 Related party transactions

Key management personnel compensation

The key management personnel of the Group comprise the Directors of the Company together with the managing directors of the United Kingdom and international operations.

Group	2014 £'000	2013 £'000
Short term employee benefits	1,403	708
Post employment benefits	103	41
Total	1,506	749

The key management personnel of the Company comprise its Directors.

Company	2014 £'000	2013 £'000
Short term employee benefits	862	375
Post employment benefits	62	35
Total	924	410

Transactions and balances with associate and joint ventures

The amount owed to the Group by Aukett + Heese Frankfurt GmbH at 30 September 2014 was £Nil (2013: £46,000) relating to loans previously advanced and management charges formerly raised. The movement in the balance during the year relates to payments made to the Group, interest charged and exchange rate movements.

The amount owed by the Group from Aukett + Heese Frankfurt GmbH in respect of services rendered was £31,000 (2013: £Nil).

The Group makes management charges to Aukett + Heese GmbH. Invoices issued by the Group during the year in respect of these services amounted to £60,000 (2013: £60,000). The amount owed to the Group by Aukett + Heese GmbH at 30 September 2014 in respect of these management charges was £Nil (2013: £Nil).

As disclosed in note 15, the Group owns 50% of Aukett + Heese Frankfurt GmbH and 25% of Aukett + Heese GmbH. The remaining 50% of Aukett + Heese Frankfurt GmbH and 75% of Aukett + Heese GmbH are owned by Lutz Heese, a former director of the Company.

The amount owed to the Group and to the Company by Aukett sro at 30 September 2014 was £48,000 (2013: £67,000) relating to previously declared but not yet paid dividends and name licence charges. The movement in the balance during the year relates to payments made to the Group by Aukett sro together with the name licence charge and exchange rate movements.

None of the balances with the associate or joint ventures are secured.

Transactions and balances with subsidiaries

The names of the Company's principal subsidiaries are set out in note 15.

The Company made management charges to its subsidiaries for management services of £399,000 (2013: £312,000) and paid charges to its subsidiaries for office accommodation and other related services of £60,000 (2013: £60,000).

The treasury activities of the Company and its United Kingdom subsidiaries were managed on a consolidated basis by one of those subsidiaries, with funds being transferred to and from that subsidiary as required.

At 30 September 2014 the Company was owed £330,000 (2013: £829,000) by its subsidiaries and owed £1,497,000 (2013: £1,740,000) to its subsidiaries. These balances arose through various past transactions including treasury management and management charges.

The amounts owed by subsidiaries were secured in January 2013 by debentures over all the assets of the relevant subsidiaries. These debentures rank after the debentures securing the bank loan and overdraft. Prior to this all amounts owed by subsidiaries were unsecured.

35 Business Combination

On 18 December 2013 the Group acquired the entire issued share capital of Swanke Hayden Connell Europe Limited, a major group of architects and interior designers with studios in the U.K, Russia and Turkey.

The total consideration for the acquisition was £1.6m comprising a cash payment of £209,053 and the balance satisfied by the issue of 19,594,959 new Ordinary Shares at a price of 7.00 pence per share.

This acquisition has provided revenue enhancing opportunities in a wider market place and significantly improved the Group's market position in London and Moscow, as well as affording access to the Turkish market. The goodwill acquired on the acquisition represents the knowledge and experience of the assembled workforce in addition to expected integration savings and economies of scale. The goodwill is not considered deductible for income tax purposes.

The below table summarises the consideration paid for Swanke Hayden Connell Europe Limited, the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration at 18 December 2013	£'000
Cash	209
Equity instruments (19,594,959 ordinary shares)	1,372
Total consideration transferred	**1,581**
Indemnification asset	(110)
Total consideration	**1,471**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	152
Property, Plant and Equipment (note 14)	69
Tradename (included in other intangible assets) (note 13)	415
Customer relationships (included in other intangible assets) (note 13)	249
Order book (included in other intangible assets) (note 13)	40
Amounts recoverable on contracts	470
Trade and other receivables	1,863
Deferred tax assets (note 23)	172
Trade and other payables	(2,017)
Provision for liabilities (note 24)	(292)
Contingent liabilities	(110)
Deferred tax liabilities (note 23)	(145)
Total identifiable net assets	**866**
Goodwill	605
Total	**1,471**

Acquisition costs of £91,000 have been charged to other operating charges in the consolidated income statement for the year ended 30 September 2014.

A contingent liability of £110,000 has been recognised on acquisition following the Russian tax authorities commencing an audit of the Swanke Hayden Connell International Limited Moscow Branch for the period between January 2010 and December 2012. The tax authorities presented their findings which included a claim for unpaid tax, interest and penalties of RUB5.87m. This claim has been finalised and settled in full in December 2014. The fair value of the liability has changed from the acquisition date only in respect of foreign exchange differences on its revaluation into Sterling. As at 30 September 2014 the liability was £91,000 and has been included in accruals.

The selling shareholders of Swanke Hayden Connell Europe Limited have contractually agreed to indemnify Aukett Swanke Group Plc for the above mentioned tax claim. The indemnification asset is deducted from the consideration transferred for the business combination. The fair value of the asset has changed from the acquisition date only in respect of foreign exchange differences on its revaluation into Sterling.

The fair values of the acquired identifiable intangibles are based on finalised valuations.

The revenue included in the consolidated income statement since 18 December 2013 contributed by Swanke Hayden Connell Europe Limited and subsidiaries was £6,459,755. The revenue less sub consultant costs contributed by Swanke Hayden Connell Europe Limited and subsidiaries over the same period was £4,708,370. The loss before tax contributed over the same period was £15,526.

Had Swanke Hayden Connell Europe Limited and subsidiaries been consolidated from 1 October 2013 the consolidated income statement would show pro-forma revenue of £8,182,000 and profit before tax of £48,000.

36 Corporate information

General corporate information regarding the Company is shown on page 22. The addresses of the Group's principal operations are shown on page 5. A description of the Group's operations and principal activities is given within the Strategic Report.

Notice of meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at 10:00am on Thursday 26 March 2015 at 25 Christopher Street, London, EC2A 2BS for the following purposes:

Ordinary business

1 To receive and adopt the annual report for the year ended 30 September 2014.

2 To re elect Nicholas Thompson as a director. Nicholas Thompson retires by rotation.

3 To elect Beverley Wright as a director. Beverley Wright was appointed after the last Annual General Meeting.

4 To elect John Bullough as a director. John Bullough was appointed after the last Annual General Meeting.

5 To re-appoint BDO LLP as auditors of the Company to hold office, from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, at a remuneration to be fixed by the directors.

Special business

6 That the directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the 'Act') to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £826,068 to such persons and upon such conditions as the directors may determine, such authority to expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted after such expiry and the directors may allot shares in the Company in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

7 That the directors be and are hereby empowered pursuant to section 570 of the Act to allot shares in the Company up to an aggregate nominal amount of £165,214 for cash pursuant to the authority conferred by resolution 6 above as if section 561 of the Act did not apply to such allotment, such authority to expire at the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted after such expiry and the directors may allot shares in the Company in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

Beverley Wright
Company Secretary

28 January 2015

Registered office: 36-40 York Way, London N1 9AB

Notes

1 Any member entitled to attend and vote at the meeting may appoint another person, whether a member or not, as their proxy to attend and, on a poll, to vote instead of them. A form of proxy is enclosed for this purpose and to be valid must be lodged with the Company's registrars together with any power of attorney or other authority under which it is signed, not less than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting.

2 In accordance with regulation 41 of Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members at 6pm on Tuesday 24 March 2015 (the 'Specified Time') will be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at that meeting. Should the meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period then to be so entitled members must be entered on the register at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in the notice.

Shareholder information

Listing information

The shares of Aukett Swanke Group Plc are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

Tradable Instrument Display Mnemonic (TIDM formerly EPIC): AUK

Stock Exchange Daily Official List (SEDOL) code: 0061795

International Securities Identification Number (ISIN): GB0000617950

Share price

The Company's share price is available from the website of the London Stock Exchange (www.londonstockexchange.co.uk).

The Company's mid market share price is published daily in The Times, The Financial Times and The London Evening Standard newspapers.

Registrars

Enquiries relating to matters such as loss of a share certificate, dividend payments or notification of a change of address should be directed to Equiniti who are the Company's registrars at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DD - 0871 384 2030 (calls to this number are charged at 8p a minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday). Callers from outside the UK should dial +44 (0)121 415 7047 - www.equiniti.com

Equiniti also provide a website which enables shareholders to view up to date information about their shareholding in the Company at www.shareview.co.uk

Investor relations

In accordance with AIM Rule 26 regarding Company information disclosure, various investor orientated information is available on our web site at www.aukettswanke.com.

The Company Secretary can be contacted by email at cosec@aukettswanke.com

Donate your shares

The Company supports ShareGift, the charity share donation scheme administered by The Orr Mackintosh Foundation (registered charity number 1052686).

Through ShareGift, shareholders who have only a very small number of shares which might be considered uneconomic to sell are able to donate them to charity. Donated shares are aggregated and sold by ShareGift, the proceeds being passed onto a wide range of UK charities.

Donating shares to charity gives rise neither to a gain or loss for UK capital gains tax purposes and UK taxpayers may also be able to claim income tax relief on such gifts of shares.

Further details about ShareGift can be obtained from ShareGift, 17 Carlton House Terrace, London SW1Y 5AH - 020 7930 3737 - www.sharegift.org

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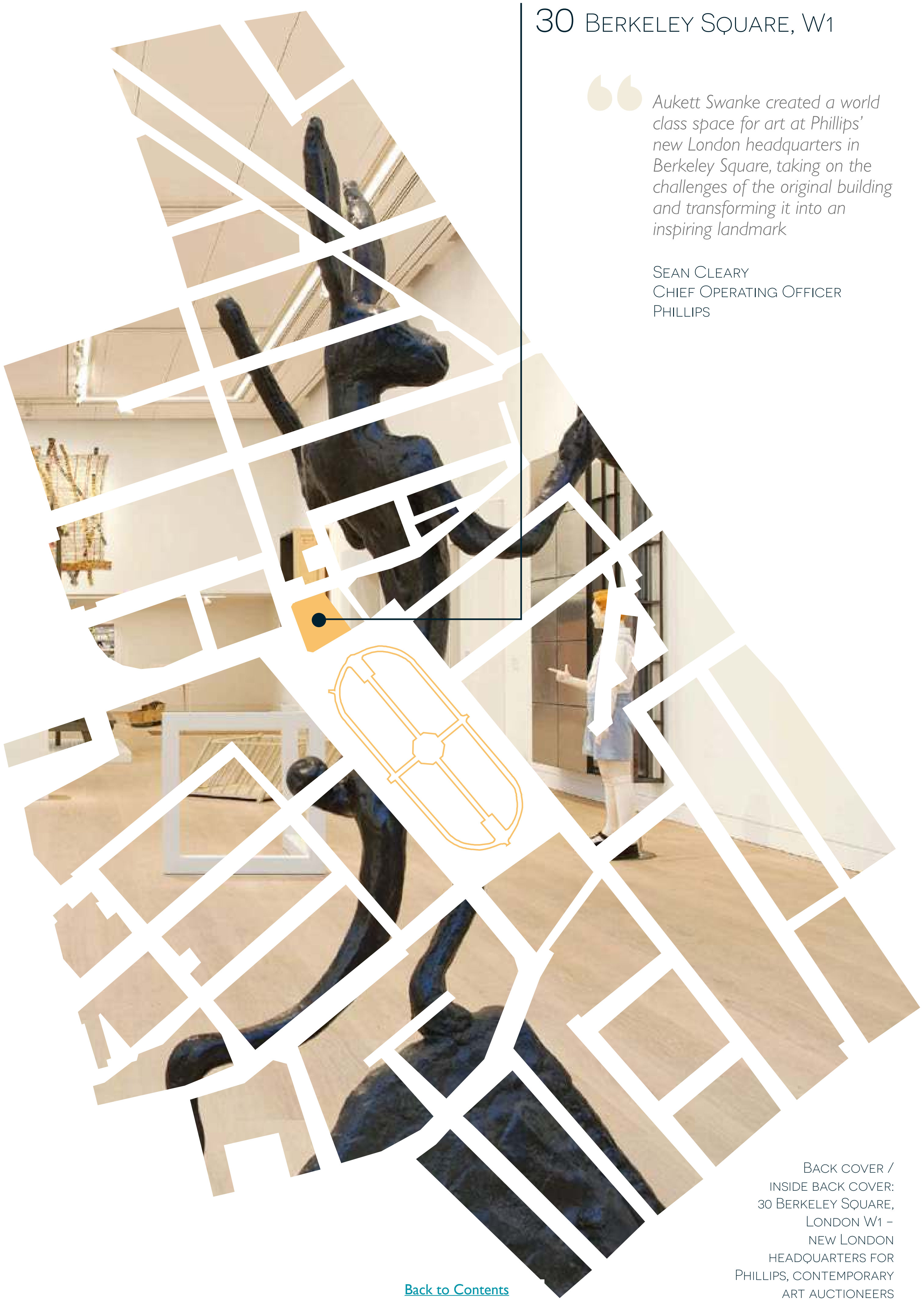
30 Berkeley Square, W1

Aukett Swanke created a world class space for art at Phillips' new London headquarters in Berkeley Square, taking on the challenges of the original building and transforming it into an inspiring landmark

Sean Cleary
Chief Operating Officer
Phillips



Back cover / inside back cover: 30 Berkeley Square, London W1 – new London headquarters for Phillips, contemporary art auctioneers

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www.aukettswanke.com

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