RPS GROUP PLC
("RPS" or "the Group")

Results for the Year Ended 31 December 2014

10% PBTA growth and 14% eps growth on constant currency basis. Dividend increased 15%. £58 million of investment committed to acquisitions, further increasing strength of international platform. Recently completed first acquisition of 2015, in BNE: North America.

Summary of Results

	2014	2013	2013 (constant currency)
Business performance			
Revenue (£m)	572.1	567.6	540.3
Fee income (£m)	505.0	492.1	468.3
PBTA[(1)] (£m)	66.1	63.0	60.2
Adjusted earnings per share [(2)] (basic) (p)	22.04	20.22	19.32
Total dividend per share (p)	8.47	7.36	7.36
Statutory reporting			
Profit before tax (£m)	46.3	43.6	41.9
Earnings per share (basic) (p)	15.20	13.11	12.72

Highlights

- successful execution of strategy produced 10% PBTA growth (constant currency).
- reduced tax rate and charge; 14% eps growth (constant currency).
- Energy business continued to grow, managing well the declining oil price and political unrest in the Middle East.
- £58m total consideration committed to new acquisitions which will enhance performance in 2015.
- balance sheet remains strong with year end net bank borrowings at £73.2m and facility headroom of £87m at the year end.
- proposed full year dividend increased by 15%.

Notes:

(1) *Profit before tax, amortisation of acquired intangibles and transaction related costs.*
(2) *Based on earnings before amortisation of acquired intangibles and transaction related costs.*

Brook Land, Group Chairman, commented:

"Once again our business model delivered good results, with a number of high quality acquisitions making a significant contribution and positioning us well for 2015. This was achieved despite a number of factors outside our control, notably the strength of sterling, the rapid fall in the oil price and unrest in the Middle East.

RPS generates good cash flow and is financially strong. We have the resources necessary to continue our buy and build strategy. We have completed our first acquisition of 2015 in the US and anticipate further transactions during the course of the year.

We believe our positioning and business model should deliver a successful outcome and further growth in the current year."

26 February 2015

ENQUIRIES

RPS Group plc **Today: 020 7457 2020**
Dr Alan Hearne, *Chief Executive* **Thereafter: 01235 863206**
Gary Young, *Finance Director*

Instinctif Partners
Justine Warren **Tel: 020 7457 2020**
Matthew Smallwood

RPS is an international consultancy providing independent advice upon: the exploration and production of oil and gas and other natural resources, and the development and management of the built and natural environment. We have offices in the UK, Ireland, the Netherlands, Norway, the United States, Canada, the Middle East and Australia/Asia Pacific and undertake projects in many other parts of the world. The Group is a constituent of both the FTSE 250 and FTSE4Good Indices.

Results

PBTA for the full year grew to £66.1 million (2013: £63.0 million; £60.2 million on a constant currency basis), with all four segments contributing to this growth, on a constant currency basis. Margins in the businesses remained good.

The strength of sterling had a significant adverse effect on our consolidated profit growth. This was offset by the contribution from acquisitions. Adjusted basic earnings per share were 22.04 pence (2013: 20.22 pence; 19.32 pence on a constant currency basis).

PBT for the full year was £46.3 million (2013: £43.6 million; £41.9 million on a constant currency basis).

At the segment level we focus on underlying profit; all segments grew on a constant currency basis; the contribution from each segment was:

Underlying Profit* (£m)		**2014**	2013	2013 (constant currency)
Energy		**39.0**	36.4	35.3
Built and Natural Environment:	Europe	**21.3**	19.2	18.8
:	North America	**9.1**	8.3	7.8
Australia Asia Pacific ("AAP")		**9.6**	10.0	9.0
Total		**79.1**	73.9	70.9

**As defined in note 2.*

Our Energy activities are conducted on a worldwide basis. In combination with our Built and Natural Environment ("BNE") business in North America and our Australia, Asia Pacific ("AAP") business, we now have over three quarters of our underlying profit generated outside the UK. Although this diversity exposes us to currency fluctuations, it enables the Group to deliver good results, even when confronted with challenging conditions.

Cash Flow, Funding and Dividend

Our cash flow in the year was good and our balance sheet remains strong. Our year end net bank borrowings were £73.2m (2013: £32.4m) after paying out £17.4 million in dividends (2013: £15.0 million) and £64.7 million (2013: £46.7 million) in respect of initial and deferred payments for acquisitions, including acquired net debt. Net bank borrowings include a £51.8 million loan from Pricoa, due for repayment in 2021. We have a £125 million committed revolving credit facility with Lloyds available until July 2016 which had headroom of about £87 million at the year end. The Board intends to refinance the Lloyds facility during the course of the next few months, which is likely to involve an additional bank providing part of our total facilities.

The Board is recommending a final dividend of 4.42 pence per share payable on 22 May 2015 to shareholders on the register on 24 April 2015. If approved, the total dividend for the full year would be 8.47 pence per share, an increase of 15% (2013: 7.36 pence per share).

We remain well positioned to continue funding the Group's growth strategy.

Markets and Trading

Energy

The Energy business continued to grow, with an improved result in the second half supported by acquisitions made in 2013, managing well the rapid decline in oil price and political unrest in the Middle East. The strong margin was also maintained.

We provide internationally recognised consultancy services to the oil and gas sector from our main bases in the UK, USA and Canada. These act as regional centres for projects undertaken in many other countries. The Energy component of our AAP business, with offices in Perth, Singapore and Kuala Lumpur, provides an integral part of the service offering to our international oil and gas clients. Our range of clients and services and geographical diversity of our business provides opportunity for us throughout the investment cycle in this industry.

	2014	2013	2013 (constant currency)
Fee income (£m)	**205.1**	186.9	180.7
Underlying profit* (£m)	**39.0**	36.4	35.3
Margin (%)	**19.0**	19.5	19.5

**As defined in note 2. Reorganisation costs: 2014 £0.2m; 2013 £0.1m.*

We continued to benefit from our excellent reputation and prominent position in the oil and gas sector in many parts of the world. In particular, we experienced good demand for our consultancy advice, including transaction and asset valuation support. During the second quarter some of our clients began to manage expenditure more tightly, particularly in their operational activities. Against the background of a rapidly falling oil price, this trend continued through the second half. Our trading was also affected by the political disruption in the Middle East, which caused clients to delay investment in Kurdistan/Iraq.

Despite these adverse conditions our profit in the year grew. This, in part, reflects the flexible nature of our business model which enables us to execute much of our operations support with experts recruited for specific assignments. Our global reach enables us to support a wide range of long term clients, for whom we undertake many projects of varying scale. We are not, in consequence, dependent on a small number of clients or projects.

Recent market conditions have been unusually volatile. As a result, clients are likely, in the short term, to continue focusing on cost management; we are, therefore, reducing our cost base and concentrating on those parts of the market and projects likely to receive investment. There are, however, already some signs of stabilisation. With the global economy set to grow substantially in coming years, we are well positioned in what continues to be an attractive, long term market.

Built and Natural Environment (BNE)

Within this business we provide a wide range of consultancy services to many aspects of the property and infrastructure development and management sectors. These include: environmental assessment, the management of water resources, due diligence, oceanography, health and safety, risk management, town and country planning, building, landscape and urban design, surveying and transport planning. It is split into two segments: Europe and North America.

BNE: Europe

This business performed well, with an improved margin, and was supported by two high quality acquisitions. It also benefited from strong growth of our UK planning and development activities, which experienced significantly improved market conditions and client confidence.

	2014	2013	2013 (constant currency)
Fee income (£m)	**156.7**	149.3	146.5
Underlying profit* (£m)	**21.3**	19.2	18.8
Margin (%)	**13.6**	12.8	12.9

**As defined in note 2. Reorganisation costs: 2014 £0.3m; 2013 £0.5m.*

Those of our activities exposed to operational environments, such as providing environmental management advice, continued to need to offer an efficient, cost effective service to assist clients manage tight budgets. Even in these markets we secured good performances, particularly from our Dutch business and our UK businesses providing support to the nuclear and defence industries.

The acquisition of Clear Environmental Consultants (announced on 10 April) has extended the range of our UK water activities. It will assist the strategic development of this business in 2015; this will be important at a time when we will be seeking to renew and win a significant number of contracts with the UK water utilities. The acquisition of CgMs (announced on 11 August) has extended the range of our UK planning activities and will assist the strategic development of this fast growing business. Both businesses have integrated well and should add materially to our result in 2015.

We anticipate this business should show further good growth this year.

BNE: North America

This business delivered a good result and remains well positioned in attractive sectors of the expanding North American market. It is primarily focussed on providing environmental management support to our clients and undertaking projects in the energy infrastructure market.

	2014	2013	2013 (constant currency)
Fee income (£m)	**41.3**	32.7	30.9
Underlying profit* (£m)	**9.1**	8.3	7.8
Margin (%)	**22.0**	25.4	25.2

**As defined in note 2. Reorganisation costs: 2014 £nil; 2013 £nil.*

The acquisition of GaiaTech (announced on 20 May) was an important step in the development of this business, giving us access to new markets and geography particularly in relation to environmental due diligence, a high margin activity. It has integrated well and has already begun to make an important contribution. Those parts of the BNE business closest to oil and gas E&P activities experienced only modest expenditure tightening from clients. Staff retention became difficult in the part of the business involved in permitting and licensing of industrial facilities. This significantly reduced the anticipated performance. The oceanography businesses performed well.

We announced on 13 February 2015 the acquisition of a leading water and transportation consultancy in Texas. Klotz Associates Inc ("KAI") has 116 staff and is headquartered in Houston with other offices in the main cities of Texas. In the year ended 31 December 2014 it had revenue of $26.2 million (£17.2 million), and profit before tax of $3.6 million (£2.4 million) adjusted for non-recurring items. It was acquired for $24.1 million (£15.9 million) all payable in cash, of which $16.9 million (£11.1 million) was paid at closing, with the balance payable over two years.

Adding GaiaTech and KAI to our North American business gives us confidence about the performance in 2015.

Australia Asia Pacific ("AAP")

This business is a combination of the former BNE: AAP and the AAP component of Energy. They were brought together in 2013 to take advantage of the opportunities in the integrated energy and energy infrastructure market; this has helped counter the significant impact of the severe slow down in investment in the resources sector in this region on our business during the year. The acquisition of Point, (announced on 18 September), together with Whelans (announced on 27 February), both property consultants, enabled the business as a whole to grow its profit on a constant currency basis.

	2014	2013	2013 (constant currency)
Fee income (£m)	**103.6**	127.2	114.0
Underlying profit* (£m)	**9.6**	10.0	9.0
Margin (%)	**9.3**	7.9	7.9

**As defined in note 2. Reorganisation costs: 2014 £1.4m; 2013 £1.2m.*

Throughout this year our mining and energy clients in AAP have remained focused on operational efficiency rather than capital expenditure on new project development. As a result a significant number of projects have been delayed or cancelled, with this trend continuing until the year end. We have, therefore, continued to reduce our cost base. This is helping stabilise our performance ahead of market recovery.

As we reposition the business we are benefiting from increased client investment in urban development and public sector infrastructure projects. State funding in Queensland and Victoria has been slowed by recent changes of Government, but they remain attractive markets. Our position in this sector, particularly in respect of Federal agencies, has been significantly reinforced with the acquisition of Point.

Overall we are expecting an improved performance in 2015.

Group Strategy and Prospects

RPS is well positioned in markets of importance to the global economy. Our strategy of building multi-disciplinary businesses in each of the regions in which we operate continues to be both attractive and successful. Despite currency headwinds and uncertainty across the resources sectors our flexible business model, diversity of operations and experienced management enabled us to deliver further growth in 2014. We intend to develop organically, whilst continuing to seek further acquisition opportunities. Our balance sheet is strong and supports this strategy.

The acquisitions made in 2014 have integrated extremely well and will make a significant contribution this year. We have already built on this with the recent acquisition of KAI and expect further transactions during the course of the year.

We believe our positioning and business model should deliver a successful outcome and further growth in the current year.

Board of Directors
RPS Group plc
26 February 2015

Consolidated income statement

£000's	*Notes*	year ended 31 December 2014	year ended 31 December 2013
Revenue	*2*	572,126	567,614
Recharged expenses	*2*	(67,167)	(75,493)
Fee income	*2*	504,959	492,121
Operating profit before amortisation of acquired intangibles and transaction related costs	*2*	70,244	65,305
Amortisation of acquired intangibles and transaction related costs	*3*	(19,842)	(19,425)
Operating profit		50,402	45,880
Finance costs	*4*	(4,242)	(2,430)
Finance income	*4*	112	157
Profit before tax, amortisation of acquired intangibles and transaction related costs		66,114	63,032
Profit before tax		46,272	43,607
Tax expense	*5*	(12,925)	(14,987)
Profit for the year attributable to equity holders of the parent		33,347	28,620
Basic earnings per share (pence)	*6*	15.20	13.11
Diluted earnings per share (pence)	*6*	15.12	13.05
Adjusted basic earnings per share (pence)	*6*	22.04	20.22
Adjusted diluted earnings per share (pence)	*6*	21.92	20.14

Consolidated statement of comprehensive income

£000's	year ended 31 December 2014	year ended 31 December 2013
Profit for the year	33,347	28,620
Exchange differences*	(4,602)	(18,200)
Actuarial gains and losses on re-measurement of defined benefit pension liability	(601)	-
Tax on re-measurement of defined benefit pension liability	112	-
Total recognised comprehensive income for the year attributable to equity holders of the parent	28,256	10,420

* *May be reclassified to profit or loss in accordance with IFRS*

Consolidated balance sheet

£000's	*Notes*	as at 31 December 2014	as at 31 December 2013
Assets			
Non-current assets:			
Intangible assets		404,996	375,279
Property, plant and equipment		27,371	27,785
Deferred tax asset		4,043	2,018
		436,410	405,082
Current assets:			
Trade and other receivables		170,905	161,741
Cash at bank		17,521	18,699
		188,426	180,440
Liabilities			
Current liabilities:			
Borrowings		542	1,465
Deferred consideration	*10*	17,170	20,919
Trade and other payables		101,825	103,260
Corporation tax liabilities		2,213	3,058
Provisions		1,206	2,134
		122,956	130,836
Net current assets		65,470	49,604
Non-current liabilities:			
Borrowings		90,159	49,602
Deferred consideration	*10*	9,540	14,923
Other payables		2,734	2,471
Deferred tax liability		12,874	13,645
Provisions		1,896	2,007
		117,203	82,648
Net assets		384,677	372,038
Equity			
Share capital		6,640	6,619
Share premium		110,100	108,307
Other reserves	*7*	11,551	17,652
Retained earnings		256,386	239,460
Total shareholders' equity		384,677	372,038

Consolidated cash flow statement

£000's	*Notes*	year ended 31 December 2014	year ended 31 December 2013
Adjusted cash generated from operations	8	70,772	72,030
Deferred consideration treated as remuneration		(3,635)	(7,714)
Cash generated from operations		67,137	64,316
Interest paid		(3,771)	(1,991)
Interest received		112	157
Income taxes paid		(19,503)	(19,829)
Net cash from operating activities		43,975	42,653
Cash flows from investing activities:			
Purchases of subsidiaries net of cash acquired		(36,959)	(31,174)
Deferred consideration		(19,722)	(3,466)
Purchase of property, plant and equipment		(7,698)	(8,034)
Proceeds from sale of property, plant and equipment		471	523
Net cash used in investing activities		(63,908)	(42,151)
Cash flows from financing activities:			
Proceeds from issue of share capital		1	555
Proceeds from bank borrowings		36,406	18,609
Payment of finance lease liabilities		(645)	(580)
Dividends paid		(17,379)	(15,034)
Payment of pre-acquisition dividend		-	(247)
Net cash used in financing activities		18,383	3,303
Net (decrease)/increase in cash and cash equivalents		(1,550)	3,805
Cash and cash equivalents at beginning of year		17,791	14,804
Effect of exchange rate fluctuations		805	(818)
Cash and cash equivalents at end of year		17,046	17,791
Cash and cash equivalents comprise:			
Cash at bank	8	17,521	18,699
Bank overdraft	8	(475)	(908)
Cash and cash equivalents at end of year		17,046	17,791

Consolidated statement of changes in equity

£000's	Share capital	Share premium	Retained earnings	Other reserves	Total equity
At 1 January 2013	6,587	106,198	224,959	36,070	373,814
Total comprehensive income	-	-	28,620	(18,200)	10,420
Issue of new ordinary shares	32	2,109	(1,370)	(218)	553
Share based payment expense	-	-	1,938	-	1,938
Tax recognised directly in equity	-	-	347	-	347
Dividends paid	-	-	(15,034)	-	(15,034)
At 31 December 2013	6,619	108,307	239,460	17,652	372,038
Total comprehensive income	-	-	32,858	(4,602)	28,256
Issue of new ordinary shares	21	1,793	(228)	(1,499)	87
Share based payment expense	-	-	2,027	-	2,027
Tax recognised directly in equity	-	-	(352)	-	(352)
Dividends paid	-	-	(17,379)	-	(17,379)
At 31 December 2014	6,640	110,100	256,386	11,551	384,677

An analysis of other reserves is provided in note 7.

Notes to the results

1. **Basis of preparation**

The financial information attached has been extracted from the audited financial statements for the year ended 31st December 2014 and has been prepared under International Financial Reporting Standards (IFRS) adopted by the EU and IFRIC interpretations issued and effective at the time of preparing those financial statements.

During the year, the Group has applied IFRS10 "Consolidated Financial Statements", IFRS11 "Joint Arrangements", IFRS12 "Disclosure of Interests in Other Entities", IAS27 (as revised in 2011) "Separate Financial Statements". IAS28 (as revised in 2011) "Investment in Associates and Joint Ventures", IFRS7 "Financial Instruments: Disclosure", IAS32 "Financial Instruments: Presentation" and IAS39 "Financial Instruments: Recognition and Measurement". Their adoption has not had a material impact on the disclosure or amounts reported in these accounts.

2. **Business segments**

The segment results for the year ended 31 December 2013 were restated following the transfer of a business into the BNE North America segment from the Energy segment, as noted in the Interim Management Statement issued on 1 May 2014.

The business segments of the Group are as follows:

Energy – the provision of integrated technical, commercial and project management support and training in the fields of geoscience, engineering and health, safety and environment, on a global basis to the energy sector.

Built and Natural Environment ("BNE") – consultancy services to many aspects of the property and infrastructure development and management sectors. These include: environmental assessment, the management of water resources, oceanography, health and safety, risk management, town and country planning, building, landscape and urban design, surveying and transport planning. Consulting services are provided on a regional basis in Europe and North America.

Australia Asia Pacific ("AAP") – in the AAP region there is a single board that manages the BNE and Energy services that we provide in that region. Accordingly the results of this business are reported as a separate segment.

Certain central costs are not allocated to the segments because either they predominantly relate to the running of the Group head office function or could only be allocated to the segments on an arbitrary basis, such costs include the remuneration and support costs of the main board and the costs of the Group finance and marketing functions. These costs are included in the category "unallocated expenses".

"Segment profit" is defined as profit before interest, tax, amortisation of acquired intangibles, transaction related costs and unallocated expenses. "Underlying profit" is defined as segment profit before reorganisation costs.

Segment results for the year ended 31 December 2014

£000's	Fees	Expenses	Intersegment revenue	External revenue
Energy	205,055	29,492	(680)	233,867
BNE – Europe	156,737	21,735	(817)	177,655
BNE - North America	41,322	5,916	(639)	46,599
AAP	103,615	10,557	(167)	114,005
Group eliminations	(1,770)	(533)	2,303	-
Total	504,959	67,167	-	572,126

£000's	Underlying profit	Reorganisation costs	Segment profit
Energy	38,973	(167)	38,806
BNE – Europe	21,328	(253)	21,075
BNE - North America	9,112	-	9,112
AAP	9,639	(1,419)	8,220
Total	79,052	(1,839)	77,213

Segment results for the year ended 31 December 2013 (restated)

£000's	Fees	Expenses	Intersegment revenue	External revenue
Energy	186,915	33,224	(1,141)	218,998
BNE - Europe	149,292	20,171	(603)	168,860
BNE - North America	32,664	5,117	(1,111)	36,670
AAP	127,194	17,380	(1,488)	143,086
Group eliminations	(3,944)	(399)	4,343	-
Total	492,121	75,493	-	567,614

£000's	Underlying profit	Reorganisation costs	Segment profit
Energy	36,403	(78)	36,325
BNE - Europe	19,164	(487)	18,677
BNE - North America	8,287	-	8,287
AAP	10,020	(1,192)	8,828
Total	73,874	(1,757)	72,117

Group reconciliation

£000's	2014	2013
Revenue	572,126	567,614
Recharged expenses	(67,167)	(75,493)
Fees	504,959	492,121
Underlying profit	79,052	73,874
Reorganisation costs	(1,839)	(1,757)
Segment profit	77,213	72,117
Unallocated expenses	(6,969)	(6,812)
Operating profit before amortisation of acquired intangibles and transaction related costs	70,244	65,305
Amortisation of acquired intangibles and transaction related costs	(19,842)	(19,425)
Operating profit	50,402	45,880
Finance costs	(4,130)	(2,273)
Profit before tax	46,272	43,607

The table below shows revenue and fees to external customers based upon the country from which billing took place:

	Revenue		Fees	
£000's	2014	2013	2014	2013
UK	247,516	240,065	212,045	205,044
Australia	106,786	131,174	96,909	114,418
USA	91,783	86,135	83,987	77,594
Netherlands	31,600	33,076	27,190	28,204
Canada	31,413	31,733	26,922	27,728
Norway	30,082	4,720	29,543	4,569
Ireland	24,518	28,349	20,502	22,083
Other	8,428	12,362	7,861	12,481
Total	572,126	567,614	504,959	492,121

3. Amortisation of acquired intangibles and transaction related costs

£000's	year ended 31 Dec 2014	year ended 31 Dec 2013
Amortisation of acquired intangibles	17,605	12,217
Contingent deferred consideration treated as remuneration	1,077	6,009
Transaction costs	1,160	1,199
Total	19,842	19,425

4. Net financing costs

£000's	year ended 31 Dec 2014	year ended 31 Dec 2013
Finance costs:		
Interest on loans, overdraft and finance leases	(3,107)	(1,593)
Interest on deferred consideration	(1,135)	(837)
	(4,242)	(2,430)
Finance income:		
Deposit interest receivable	112	157
Net financing costs	(4,130)	(2,273)

5. **Income taxes**

Analysis of the tax expense/(credit) in the income statement for the year:

£000's	year ended 31 Dec 2014	year ended 31 Dec 2013
Current tax:		
UK corporation tax	5,359	4,834
Overseas tax	11,564	10,922
Adjustments in respect of prior years	230	692
	17,153	16,448
Deferred tax:		
Origination and reversal of timing differences	(3,276)	(514)
Effect of change in tax rate	-	(490)
Adjustments in respect of prior years	(952)	(457)
	(4,228)	(1,461)
Tax expense for the year	12,925	14,987
Tax credit in other comprehensive income for the year	(112)	-
Tax charge/(credit) in equity for the year	352	(347)

The UK rate of corporate tax was reduced from 23% to 21% from 1st April 2014. The UK tax expense for the Group's UK companies is 21.5% (2013: 23.25%) representing the weighted average annual corporate tax rate for the full financial year. The actual tax expense for 2014 is different from 21.5% (2013: 23.25%) of profit before tax for the reasons set out in the table below:

£000's	2014	2013
Profit before tax	46,272	43,607
Tax at the UK effective rate of 21.5% (2013: 23.25%)	9,948	10,139
Effect of overseas tax rates	3,534	3,432
Acquisition consideration treated as remuneration not deductible for tax purposes	247	1,401
Expenses not deductible for tax purposes	673	403
Non taxable income	(755)	(133)
Effect of change in tax rates	-	(490)
Adjustments in respect of prior years	(722)	235
Total tax expense for the year	12,925	14,987

The effective tax rate for the year on profit before tax is 27.9% (2013: 34.4%). The effective tax rate for the year on profit before tax, amortisation of acquired intangibles and transaction related costs is 26.9% (2013: 29.9%) as shown in the table below:

£000's	2014	2013
Total tax expense in Income Statement	12,925	14,987
Add back:		
Tax on amortisation of acquired intangibles and transaction related costs	4,838	3,889
Adjusted tax charge on the profit for the year	17,763	18,876
PBTA	66,114	63,032
Adjusted effective tax rate	26.9%	29.9%

6. **Earnings per share**

The calculations of basic and diluted earnings per share were based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the related period as shown in the table below:

£000's / 000's	year ended 31 Dec 2014	year ended 31 Dec 2013
Profit attributable to ordinary shareholders	33,347	28,620
Weighted average number of ordinary shares for the purposes of basic earnings per share	219,399	218,355
Effect of employee share schemes	1,135	909
Diluted weighted average number of ordinary shares	220,534	219,264
Basic earnings per share (pence)	15.20	13.11
Diluted earnings per share (pence)	15.12	13.05

The directors consider that earnings per share before amortisation of acquired intangibles and transaction related costs, provides a more meaningful measure of the Group's performance than statutory earnings per share. The calculations of adjusted earnings per share were based on the number of shares as above and are shown in the table below:

£000's	year ended 31 Dec 2014	year ended 31 Dec 2013
Profit attributable to ordinary shareholders	33,347	28,620
Amortisation of acquired intangibles and transaction related costs (note 3)	19,842	19,425
Tax on amortisation of acquired intangibles and transaction related costs	(4,838)	(3,889)
Adjusted profit attributable to ordinary shareholders	48,351	44,156
Adjusted basic earnings per share (pence)	22.04	20.22
Adjusted diluted earnings per share (pence)	21.92	20.14

7. **Other reserves**

£000's	Merger reserve	Employee trust	Translation reserve	Total
At 1 January 2013	21,256	(9,059)	23,873	36,070
Exchange differences	-	-	(18,200)	(18,200)
Issue of new shares	-	(218)	-	(218)
At 31 December 2013	21,256	(9,277)	5,673	17,652
Exchange differences	-	-	(4,602)	(4,602)
Issue of new shares	-	(1,499)	-	(1,499)
At 31 December 2014	21,256	(10,776)	1,071	11,551

8. **Notes to the consolidated cash flow statement**

£000's	year ended 31 Dec 2014	year ended 31 Dec 2013
Operating profit	50,402	45,880
Adjustments for:		
Depreciation	8,458	9,432
Amortisation of acquired intangible assets	17,605	12,217
Contingent consideration treated as remuneration	1,077	6,009
Share based payment expense	2,027	1,938
Profit on sale of property, plant and equipment	(249)	(241)
	79,320	75,235
Decrease in trade and other receivables	2,956	8,838
Decrease in trade and other payables	(11,504)	(12,043)
Adjusted cash generated from operations	70,772	72,030

Adjusted cash generated from operations is before payment of deferred consideration treated as remuneration.

The table below provides an analysis of net borrowings, comprising cash and cash equivalents, interest bearing bank loans and finance leases, during the year ended 31 December 2014:

£000's	At 31 Dec 2013	Cash flow	Acquisitions	Foreign exchange	At 31 Dec 2014
Cash at bank	18,699	(8,944)	6,985	781	17,521
Overdrafts	(908)	409	-	24	(475)
Cash and cash equivalents	17,791	(8,535)	6,985	805	17,046
Bank loans	(49,637)	(36,406)	(4,003)	(30)	(90,076)
Finance lease creditor	(522)	645	(271)	(2)	(150)
Net borrowings	(32,368)	(44,296)	2,711	773	(73,180)

The cash balance at 31 December 2014 includes £4,139,000 (2013: £6,028,000) that is restricted in its use, either as security or client deposits.

9. **Acquisitions**

During 2014 the Group completed six acquisitions. Each of these broadens and strengthens the services the Group offers.

Entity acquired	Date of acquisition	Place of incorporation	Percentage of entity acquired	Nature of business acquired
Whelans Corporation Pty Ltd	5/2/14	Australia	100%	Surveying
Clear Environmental Consultants Ltd	9/4/14	UK	100%	Water consultancy
GaiaTech Holdings Inc	15/5/14	USA	100%	Environmental consultancy
CgMs Holdings Ltd	8/8/14	UK	100%	Project management
Delphi AS	19/8/14	Norway	100%	Oil and gas consultancy
Point Project Management Pty Ltd	17/9/14	Australia	100%	Project management

The Group has allocated provisional fair values to the net assets of these acquisitions as it did not have complete information at the balance sheet date. Detail of the carrying values of the acquired net assets, the provisional fair values assigned to them by the Group, the fair value of consideration and the resulting goodwill are as follows:

£000	Whelans	Clear	GaiaTech	CgMs	Delphi	Point	Total
Intangible assets:							
Order book	142	480	143	580	-	2,987	4,332
Customer relations	186	2,660	4,477	3,210	-	4,793	15,326
Trade names	104	200	327	560	-	513	1,704
PPE	365	274	411	224	-	210	1,484
Cash	396	1,943	1,702	1,913	226	805	6,985
Other assets	1,264	1,221	5,431	4,653	930	3,521	17,020
Borrowings	(124)	-	(4,003)	(147)	-	-	(4,274)
Other liabilities	(1,044)	(2,021)	(1,681)	(5,839)	(915)	(5,577)	(17,077)
Net assets acquired	1,289	4,757	6,807	5,154	241	7,252	25,500
Satisfied by:							
Initial cash consideration	1,443	6,841	17,894	7,000	384	10,382	43,944
Contingent cash consideration	-	1,156	-	-	-	-	1,156
Fair value of deferred consideration	619	-	-	5,777	358	6,369	13,123
Total consideration	2,062	7,997	17,894	12,777	742	16,751	58,223
Goodwill	773	3,240	11,087	7,623	501	9,499	32,723

The consideration payable in future for Clear is contingent upon renewal of a key contract. The payment made will be in the range of £nil to £1,500,000 and the fair value has been determined by estimating the likelihood of payment.

Goodwill arising represents the value of the workforce acquired, potential synergies, future contracts and access to new markets. There is no tax deductible goodwill.

The total fair value of receivables acquired was £10,600,000. The breakdown between gross receivables and amounts estimated irrecoverable was as follows:

£000s	Gross receivables	Estimated irrecoverable	Fair value of assets acquired
Whelans	1,055	(26)	1,029
Clear	1,047	(7)	1,040
GaiaTech	1,824	(71)	1,753
CgMs	4,577	(110)	4,467
Delphi	459	-	459
Point	1,852	-	1,852
	10,814	(214)	10,600

The vendors of the acquired companies have entered into warranty agreements with the Group. The total undiscounted cash flow that could be receivable by the Group is between £nil and £14,372,000. The Group does not expect that these warranties will become receivable and therefore has not recognised an indemnification asset on acquisition.

The Group incurred acquisition related costs of £1,160,000 which have been expensed through the income statement and are included within amortisation of acquired intangibles and transaction related expenses.

The contribution of the acquisitions to the Group's results for the year is given below.

£000s	Segment	Revenue	Operating Profit
Whelans	AAP	3,861	407
Clear	BNE: Europe	4,158	423
GaiaTech	BNE: NA	7,574	1,224
CgMs	BNE: Europe	8,109	173
Delphi	Energy	2,347	13
Point	AAP	5,496	449
		31,545	2,689

The proforma Group revenue and operating profit assuming that all of the acquisitions had been completed on the first day of the year would have been £609,995,000 and £52,989,000 respectively.

A reconciliation of the goodwill movement in 2014 in respect of acquisitions made in 2013 and 2014 is given in the table below.

£000s	Goodwill at 1/1/14	Additions through acquisition	Adjustments to prior year estimates	Foreign exchange movement	Goodwill at 31/12/14
PIECE	3,007	-	-	(78)	2,929
KR	1,399	-	9	88	1,496
APASA	1,955	-	-	(57)	1,898
HMA	6,997	-	(42)	(174)	6,781
Ichron	5,538	-	-	-	5,538
OEC	17,273	-	(10)	(2,425)	14,838
Whelans	-	773	-	(32)	741
Clear	-	3,240	-	-	3,240
GaiaTech	-	11,087	-	888	11,975
CgMs	-	7,623	-	-	7,623
Delphi	-	501	-	(62)	439
Point	-	9,499	-	(553)	8,946

There were no accumulated impairment losses at the beginning or end of the period.

No negative goodwill was recognised in 2013 or 2014.

10. **Deferred consideration**

£000's	As at 31 December 2014	As at 31 December 2013
Amount due within one year	17,170	20,919
Amount due between one and two years	9,540	14,923
Total deferred consideration	26,710	35,842

The amount due within one year as at 31 December 2013 included contingent deferred consideration remuneration expense accrued, but not paid, totalling £2,457,000. There is no outstanding contingent deferred consideration remuneration accrual at 31 December 2014.

11. **Events after the balance sheet date**

On 12 February 2015 the Group acquired the entire issued share capital of Klotz Associates Inc, a Texas-based consultancy providing engineering, planning and environmental services, for a maximum consideration of US$24.1 million (£15.9 million) payable entirely in cash. Cash paid at completion was

US$16.9 million (£11.1 million) and two further sums of US$4.8 million (£3.2 million) and US$2.4 million (£1.6 million) will be paid to the vendors on the first and second anniversaries of completion.

In the year to 31 December 2014, KAI had revenues of US$26.2 million (£17.2 million) and PBT of US$3.6 million (£2.4 million) after adjustment for non-recurring items.

Due to the proximity of the acquisition date to the date of approval of the Report and Accounts, it is impracticable to provide further information.

12.

The financial information set out above does not constitute the Company's full statutory accounts for the year ended 31 December 2014 for the purposes of section 435 of the Companies Act 2006, but it is derived from those accounts. The auditors have reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006. Statutory accounts for 2013 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not include an emphasis of matter statement. The auditor's report did not contain statements under the Companies Act 2006, s498 (2) or (3).

13.

This announcement has been posted on the Company's website at www.rpsgroup.com. It is expected that the annual report and accounts will be posted to shareholders on or before 27 March 2015 and a copy will be posted on the Company's website at that time. Further copies may be obtained after that date from the Company Secretary, RPS Group plc, 20 Western Avenue, Milton Park, Abingdon, Oxfordshire OX14 4SH.

14.

The Group has a well-established and embedded system of internal control and risk management that is designed to safeguard shareholders' investment as well as the Group's personnel, assets and reputation. The principal risks and uncertainties for the Group are described in the Group's Report and Accounts. These risks include the continuing uncertainty in global economic outlook which inevitably increases the risks to which the Group is exposed, a material adverse occurrence preventing the business from operating, the failure to recruit and retain employees of appropriate calibre, reputational risk if our project delivery performance falls short of expectations, failure to comply with legislation or regulation, failure to integrate acquisitions, failure to replace bank facilities and risks related to health, safety and the environment.

Responsibility statement of the Directors in respect of the Report and Accounts 2014

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;

- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and;

- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.