

ACE Benchmarking Report

Industry Overview

2016

Report prepared by



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About ACE

As the leading business association in the sector, ACE represents the interests of professional consultancy and engineering companies large and small in the UK. Many of our member companies have gained international recognition and acclaim and collectively employ over 250,000 staff worldwide.

ACE members are at the heart of delivering, maintaining and upgrading our buildings, structures and infrastructure. They provide specialist services to a diverse range of sectors including water, transportation, housing and energy.

The ACE membership acts as the bridge between consultants, engineers and the wider construction sector who make an estimated contribution of over £15bn to the nation's economy with the wider construction market contributing a further £90bn.

ACE's powerful representation and lobbying to government, major clients, the media and other key stakeholders, enables it to promote the critical contribution that engineers and consultants make to the nation's developing infrastructure.

Through our publications, market intelligence, events and networking, business guidance and personal contact, we provide a cohesive approach and direction for our members and the wider industry. In recognising the dynamics of our industry, we support and encourage our members in all aspects of their business, helping them to optimise performance and embrace opportunity.

Our fundamental purposes are to promote the worth of our industry and to give voice to our members. We do so with passion and vision, support and commitment, integrity and professionalism.

About CIFIC

The Centre for Interfirm Comparison (CIFIC) was one of the pioneers of benchmarking; it developed the concept of comparing company performance using management ratios in projects that range from a few simple measures to sophisticated analytical studies.

It was set up in 1959 by the Institute of Management with the support of the CBI and the British Productivity Council to meet the demand for a neutral specialist body to conduct interfirm comparisons and benchmarking projects on a confidential basis as a service to management.

Its objectives were to enable companies to assess their performance against that of their peers and so identify areas for improvement and to implement best practice.

Working with ACE

Since 2005, The Centre has worked with ACE to design and operate the benchmarking project for Engineering and Consultancy firms. Their significant experience and independence means that the ACE Benchmarking results are accurate and concise, providing an in depth analysis of companies performance.

Since 2010, CIFIC has attended the annual European CEO Conferences, as the Benchmarking exercise was expanded to include European Participants. The Benchmarking report and their expertise helped ACE to deliver successful events with a wide variety of topics and key metrics explored by the participants over the two days.

Introduction

The ACE Benchmarking Project was launched in 2006 following earlier research carried out to examine the potential scope and content for benchmarking amongst ACE members. The ACE commissioned The Centre for Interfirm Comparison (CIFIC) to carry out the Benchmarking Project and to report to members. CIFIC was set up 57 years ago by the British Institute of Management as a specialist organisation to carry out confidential comparisons of business performance.

Participants provide data in confidence to CIFIC. Definitions are provided so that all companies supply data on a common basis. The information is checked carefully for completeness and accuracy and where necessary, revisions are sought.

This document, "The Industry Overview", presents the results of the eleventh **Benchmarking for Engineering and Consultancy** study for ACE Members. This is the seventh year in which companies from other European countries have been invited to join the Benchmarking Group.

The report examines general trends and wider conclusions about the group of participants as a whole. It also includes as an Appendix the summary results, giving the average and typical range of results from the 2016 benchmarking study for each of the sub-groups.

As in previous years, companies will also receive "The Interfirm Comparison" which compares their performance for a wide range of benchmarks against those of other firms. It includes an individual analysis and interpretation of the strengths and weaknesses of their results. The report is specific to each firm and totally confidential - it is seen by no other company.

This document also presents the results of the sixth annual **SME Benchmarking for Engineering and Consultancy** study for smaller ACE Members. Although many smaller firms had taken part as a separate sub-group in the first 5 years of the main project, others found that the detailed information required was not readily available from their management accounts. To make benchmarking more accessible and relevant for smaller firms, a simplified project, SME Benchmarking, was designed specifically for firms with up to 250 employees.

This study examines general trends and wider conclusions about the group of participating SMEs. Where appropriate, the results for the SME firms are contrasted with the average performance of Large and Medium sized UK firms that have taken part in the main project this year.

SUMMARY OF RESULTS FOR ALL PARTICIPANTS

Large Company Summary

This report is in two sections:

1. The main benchmarking project for Larger UK and European companies, now in its 11th year
2. A report for SMEs with fewer than 250 employees, which is now in its 6th year.

Profitability and Growth

- The Larger UK and European firms in the 2016 project together reported a (weighted) average increase of 23.3% in revenue net of sub-contract costs. However, that exceptional growth rate was largely due to some very large acquisitions. Excluding the benefit from acquisitions, the weighted average growth was 7.4%.
- For Larger UK firms, the weighted average growth was 38% but 12.0% excluding acquisitions. For the European firms the weighted average growth was 8.5% but 4.5% excluding acquisitions.
- The median growth rates, which may be considered more typical and less affected by acquisitions were: 11.6% for the Larger UK group and 6.3% for the European group.
- In total, 90% of Larger UK and European firms increased their revenue in the latest year.
- The SME group also showed strong growth; 90% of SMEs increased revenue in the latest year with a median growth rate of 11.5%.
- Growth remained strong in the first half of 2016; 87% of Large UK firms reported positive growth for the year to Q2 2016 (median 11.8%) as did 80% of the SMEs (median growth 12.9%). Average year-on-year growth for the European firms was 12% for the first six months of 2016.
- Total aggregate profit of £403 million (€554 million) was 1.2% lower than the previous year although 57% of the Large UK and European companies increased their profits
- With profit failing to keep pace with revenue, the average profit margin for Large UK and European firms fell from 8.7% to 7.9% in this year's report. Despite the average fall, equal numbers of companies reported higher and lower margins. UK firms reported a slight fall from 7.7% to 7.4%. The European firms reported a decline in margin from 9.8% to 8.4%
- With profit failing to keep pace with revenue, the average profit margin for Large UK and European firms fell from 8.7% to 7.9% in this year's report. Despite the average fall, equal numbers of companies reported higher and lower margins. UK firms reported a slight fall from 7.7% to 7.4%. The European firms reported a decline in margin from 9.8% to 8.4%
- The median Return on assets was 10.0% for UK firms and 6.8% for the European group.
- On a weighted basis, the average SME profit margin improved from 9.5% to 11.3% in 2015/16. The simple average improved from 11.8% to 12.8%. Over 60% of SMEs improved their profit margins.

Controlling Costs

- Fee earners' costs accounted for 61.9% of revenue for the Larger UK and European firms, which was an increase of 2.2% points from the previous year. Total employment costs averaged 69.8% of revenue for UK firms, which was significantly higher than the average for European firms of 66.2%.
- The average payroll cost per fee earner including partners and directors for UK companies was 5.5% higher than the previous year at £53,000 (€73,000). There was a significant increase in headcount (+12.4%) during the year with the biggest increases amongst Engineers (2-5 years' experience) and Juniors and Graduates.
- The average fee earner (including directors) in the European firms cost €62,500 (£45,400), which was 0.9% higher than 2014 on a constant sample basis. The number of fee earners increased by 8.2% during 2015. The faster growing categories were Engineers (2-5 years' experience) and Technicians
- Revenue increased at a faster rate than overheads and office expenses and the average overhead cost ratio improved from 19.7% to 18.5%. SMEs had slightly higher overheads than larger companies at 20.6% of revenue.

Productivity

- Revenue per Fee Earner showed a median result of £81,450 (€112,190) for all Large UK and European companies. The median result for UK companies improved by 1.2% from £83,970 to £84,950 but that converts into a 12.4% rise when measured in Euros as the £ was 11.0% stronger in 2015. European firms generated €107,030 of Revenue per Fee Earner, which was 2.8% higher on a constant sample basis
- The level of revenue earned per £1 of employee costs (including directors'/partners' salaries) is a key factor in explaining the difference in firms' profit margins.
- Firms in this project produced a median value of £1.48 of revenue per £1 of employee cost or € per €1 of cost, which was marginally up from £1.47 the previous year.
- Total fee income per project hour (not just hourly charged work) is more important than the number of hours booked to projects in explaining revenue per fee earner. The All Firms median this year was £66.2 (€90.6) compared to £71.3 (€88.3) last time. The median for SMEs was £64.3.

Staffing

- The total number of UK employees increased by 6.1% (5.6% excluding acquisitions) during the latest financial year. European headcount increased by 11.3%. Excluding staff joining through acquisition, European headcount increased by 4.9%.
- The time UK fee earners spent on training was higher than the previous year and training expenditure per employee increased from £420 to £540. On average, European firms spent less time on training in 2015 and training expenditure fell from €570 to €450.
- 16.4% of fee earners and 19.1% of support staff left during the year. The number of fee earners choosing to leave voluntarily was unchanged at 12.6% in the latest year.

Winning Work

- In the latest year, both UK and European fee earners spent more time on bidding and marketing. Total investment in marketing averaged 4.3% of revenue for UK firms and 7.0% for the European Group.
- The success rate for competitive tendering fell back from 56% to 49% for UK companies although that was still higher than 2 years ago (47%). The European average was unchanged at 45%.
- The median growth in year-end order books was +24% for UK firms and +6% for the European group. The average order book was equivalent to 14.1 months' work for the UK group and 14.4 months for the European companies.
- The average debt collection period increased by 1 day to 75.5 days for UK companies. The European average improved by 6 days to 92 days. The average debt collection period for all firms was equivalent to 83.5 days' sales

SME Company Summary

Profitability and Growth

- In the 2016 SME Benchmarking project 90% of firms reported increased revenue, including 50% that reported double digit growth. The median increase in revenue from the previous financial year was 11.5%. The weighted average growth rate was 12.4%. Larger UK firms (over 250 employees) showed a weighted average increase of 12.0% excluding acquisitions.
- Quarterly revenue compared to the same period of the previous year was above 12% for 4 of the 5 quarters between April 2015 and June 2016. The exception was Q4 2015 where the median growth rate was only 3.7%.
- Total aggregate profits for the SME group (in £m) increased by 34% from the previous financial year. On the same weighted basis, the average profit margin improved from 9.5% to 11.3%. The unweighted (ie simple) average profit margin improved from 11.8% in the previous year to 12.8%.
- There was a slight improvement in the average debt collection period for SME Benchmarking firms. Total debtors were equivalent to 82.0 days' sales compared to 83.3 days in the previous year for the same group of companies. However, debtors over 90 days old were sharply higher at 25 days' sales for SME firms, (15 days in the previous year) and above the average of 11 days for Larger firms.
- Twenty-eight SME and Large UK firms provided data on late payment issues. It was reported that 27% of all payments took longer to be paid than the contract terms which was an deterioration from last year's 24%. SME firms wait on average 60 days past the due date before sending pre-action letters but some take longer; in the most extreme case 120 days.
- Taking together the results for SMEs and larger UK firms, private sector clients take 16 days longer to pay than public sector clients, on average.

Controlling Costs

- Fee earners' costs accounted for 58.0% of revenue which was just above the previous year's 57.8% but significantly better than the average for Larger UK firms (63.3%). Cost ratios increased for both SMEs and Larger UK firms, mainly as a result of firms taking on more staff. SME support staff costs averaged only 5.3%, which was unchanged from the previous year and low by the standards of Larger firms (6.5%), although the latter do employ more specialist IT, HR and Finance and Marketing Staff.
- SME Benchmarking firms were again successful this year in controlling overheads; the average overhead cost ratios fell from 22.5% to 20.8%, the lowest average level in the last 4 years.

Productivity

- Revenue per Fee Earner averaged £84,600 (€116,500), which was 5.5% higher than the previous year on a constant sample basis. The average for the Larger UK firms increased by 4.8% to £84,950 (€117,000).
- Total fee income per project hour (not just hourly charged work) is more important than the number of hours booked to projects in explaining revenue per fee earner. The SME Benchmarking average was £64.3 (€88.5) per hour.
- The level of revenue earned per £1 of employee costs (including directors'/partners' salaries) is a key factor in explaining the difference in firms' profit margins.
- Firms in this project averaged £1.55 of revenue per £1 of employee cost (or € per € of cost), which was significantly better than the £1.45 achieved by Larger firms.

Staffing

- The total aggregate number of employees including contract staff for the SME group increased by 15.8% during the course of the year. For Larger UK firms, total headcount was 6.1% higher. For SMEs average payroll costs per head were 5.4% higher than the previous year.

Winning Work

- The success rate for competitive tendering of 67% was up by 2% points on the previous year; the Larger firms' success rate fell back by 7% points to 49%.
- Including the estimated cost of fee earners' time, investment in bidding and marketing averaged 2.3% of revenue, which was significantly lower than the previous year (3.3%) and this year's average of 4.3% for Larger Firms. It may be that SMEs who have seen revenue grow very strongly have been unable to devote staff time to marketing, which could be a concern for the future.
- The average order book improved from 5.7 months' work to 6.8 months.

LARGE COMPANY RESULTS

Profitability and Growth

Revenue Growth

Total revenue (net of sub-contract costs) for the UK companies (over 250 employees) was £2.90 billion during the financial year covered by this report, which was 38% higher than the previous year for the same companies. However, that is not a very useful yardstick as there were several acquisitions including two very large ones. Excluding acquisitions, the weighted average growth rate was 12.0%.

All of the European companies had December 31st 2015 year-ends. Total revenue (net of subcontract) of €3.63 billion was 14.2% higher than 2014. Five of the European firms made a total of 8 acquisitions during the year, accounting for 8.5% of the latest year's total revenue. Excluding acquisitions, the weighted average growth was 4.5%. The 14 companies reported a median growth rate of 6.3%.

86% of the European firms reported higher revenue, and 14% saw revenue fall by between 2 and 3%. If we look at all the UK and European firms, 90% improved their revenue. The median growth rate was 9.1%.

To present a more up-to-date picture of revenue trends we have collected each firm's quarter-by-quarter revenue growth up to the 2nd quarter of 2016.

Chart 1 shows, in index number form, the average growth in revenue, quarter-by-quarter using January – March 2014 as the base of 100. Revenue levels for UK firms grew rapidly from 2014 to Q2 2015, helped by the acquisitions referred to earlier, although these figures are not weighted averages. Since Q2 2015, there has been little change in average quarterly revenue, although still at higher levels than the previous year.

As in previous years, the average revenue trend for European firms shows larger peaks and troughs than for UK firms. We believe this is partly because all the European companies have the same December year-end whereas UK companies have a mixture of year-ends. Work billed tends to peak in the 2nd and 4th quarters of financial years. However, the peaks and troughs have generally been on a rising trend.

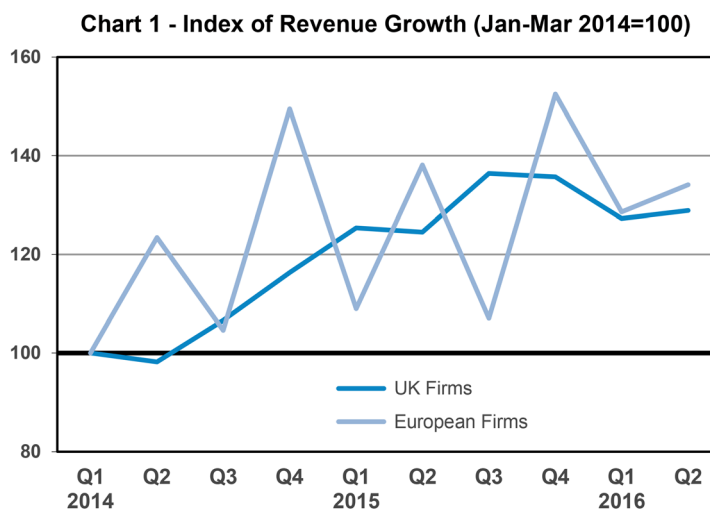
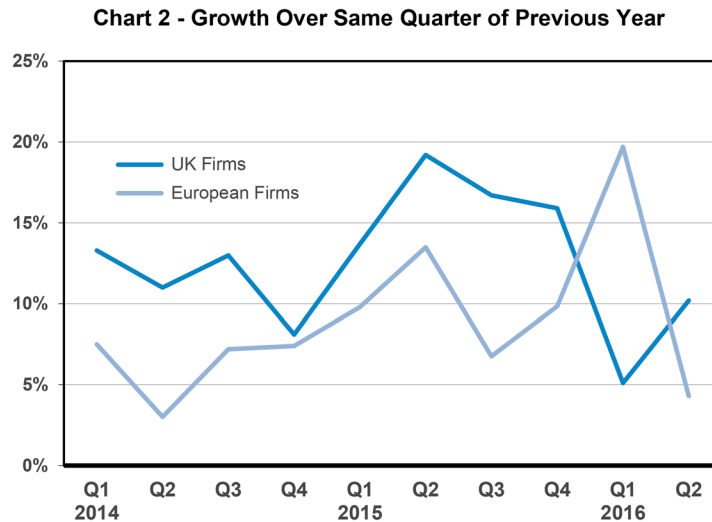


Chart 2 presents the quarterly revenue data in a different form; it shows for each of the last 10 quarters the % increase or decrease in net revenue compared to the same quarter of the previous year.



The group of UK participants showed revenue growth of over 10% for 7 of the 8 quarters in the calendar years 2014 and 2015. Growth rates have slowed since the beginning of 2016 and has averaged 7.7% for Jan-June 2016. However, the lower growth in the first half of 2016 is measured against a particularly strong period in the first half of 2015.

The average European growth rate improved rapidly between Q2 2014 and Q2 2015, fell back in Q3 but recovered with 20% growth in Q1 2016.

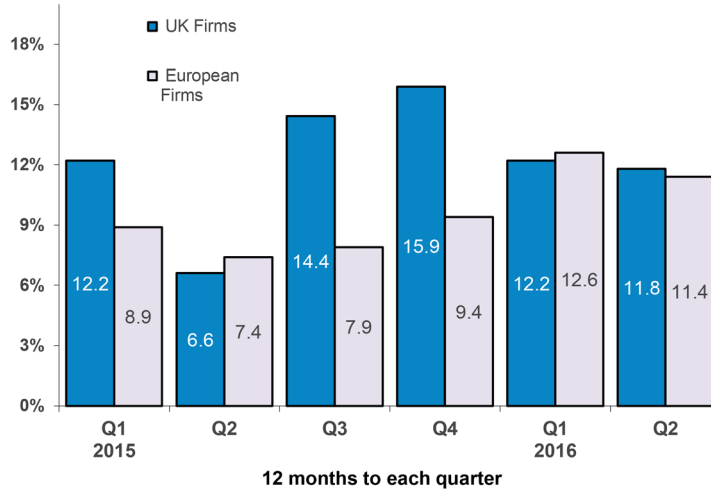
Chart 3 shows the trend in “Rolling Annual Revenue”. By this we mean the sum of the revenue for the four latest quarters at any point. For example, the Q2 2016 result compares total revenue for the four quarters Q3 2015 to Q2 2016 with the 4 quarters to Q2 2015.

Year-on-year UK growth peaked at just under 16% in Q4 2015 but has settled back to about 12% in the first half of 2016. The SMEs firms showed similar growth (+11%) in the first half of 2016.

93% of the Large UK firms reported positive growth for the year to Q2 2016 as did 80% of the SMEs.

Average growth rates for the European firms improved from 7.4% in the year to Q2 2015 to 12% for the first six months of 2016.

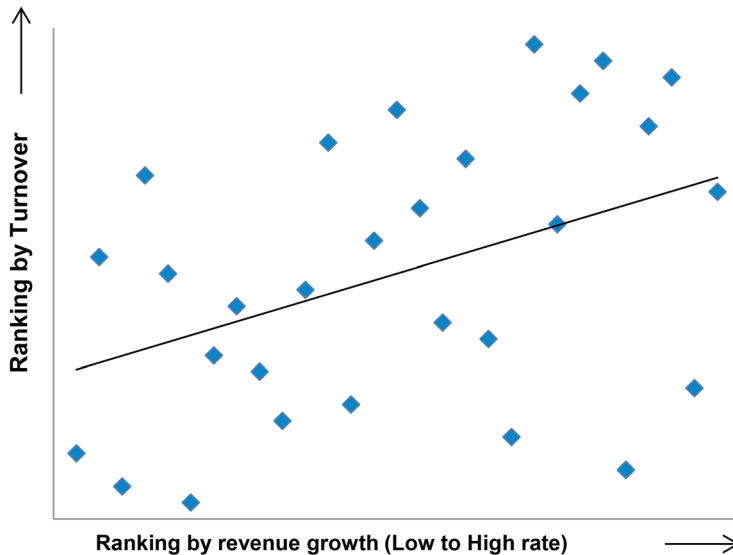
**Chart 3 - Revenue Growth - Rolling 12 months
(Four quarters compared to 12 months earlier)**



In the two previous years' reports, the combined results for all UK and European firms had shown a weak but negative correlation between the relative size of each company and growth rates (smaller firms grew faster). This year the reverse is true; the larger firms have grown faster although a correlation factor of 0.42 is not conclusive.

We also compared revenue growth against each company's mix of public and private sector clients. There was a wide range of results from 10% private sector revenue to 80% but once again, no correlation at all with revenue growth rates in the latest year.

Chart 4 - Some correlation between Size and Annual Growth Rate



Profitability

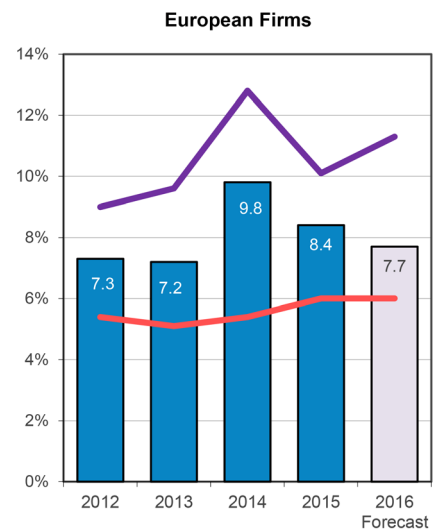
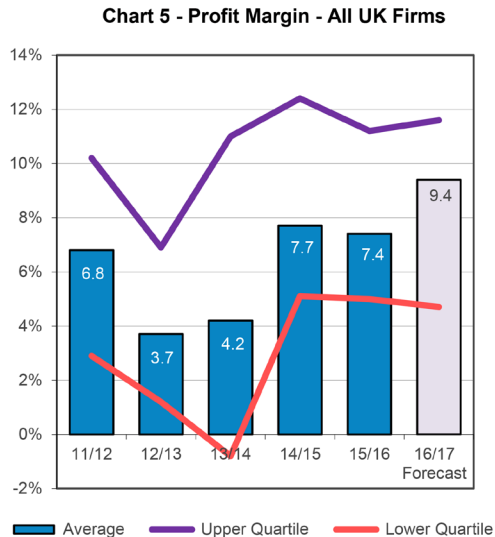
Profit margins in the Benchmarking report are calculated as Profit before Tax, Exceptionals and Goodwill write-off as a percentage of net revenue.

Of the larger companies that provided a figure for their prior year profit, 57% reported higher profits and 43% lower profits. Despite increases being in the majority, the aggregate profit for all larger firms was 1.4% lower than the previous year. With profit failing to keep pace with revenue, the average profit margin for all UK and other European firms fell from 8.7% to 7.9% for the firms in this year's project.

Note that on Chart 4 and subsequent charts, the latest year is described as 2015/16 for UK firms, but 2015 for European firms. The European firms all had December 2015 year-ends but several UK firms had years ending in the 1st or 2nd quarters of 2016. (The average UK year-end was January 2016.)

One of the companies was unable to provide prior year data but of the others, 50% improved their profit margins in the latest year whilst the other half reported lower margins. 57% of the European companies and 43% UK firms improved their profit margin.

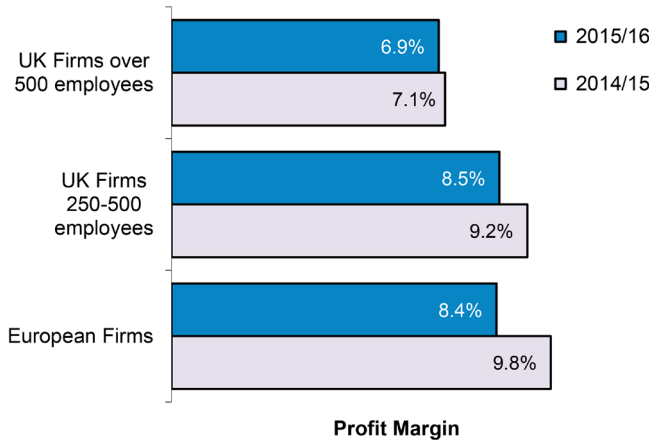
The simple average UK margin fell slightly from 7.7% to 7.4%. At the time that we were collecting data for last year's Benchmarking Report (Summer 2015) the UK firms were forecasting an average profit margin of 7.5% (a very accurate forecast especially given the changes in sample between the two years). On average revenue targets were comfortably exceeded but costs rose faster than anticipated.



Improved margins outnumbered falls by 57% to 43% for the European firms, but the falls were larger than the improvements and the average slipped from 9.8% to 8.4%. The forecast in last year's report of an average 8.3% margin for 2015 was again remarkably accurate.

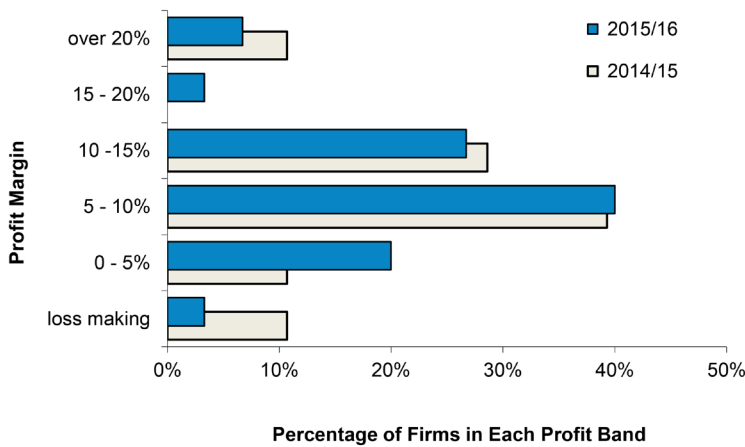
Chart 6 shows that the average margin for UK firms with over 500 employees fell by 0.2% percentage points to 6.9%. The group of medium-sized UK firms, with 250 to 500 employees, continued to enjoy a better margin than the larger UK firms despite a 0.7% point fall from 9.2% to 8.5%.

Chart 6 - Average Profitability by Size Band



Profit margins were measured against net revenue after deducting the cost of subcontracted work, design and build costs, and overseas outsourcing (together about 40% of total gross revenue) for the European companies and 18% for UK, but leaving in any profit on subcontracted work. Chart 7 shows the range of profit margins for the participating firms; all but one of the firms were profitable. 34% of the firms achieved margins above 10% compared to 31% for the previous year.

Chart 7 - Range of Results for Profit Margin - All Firms

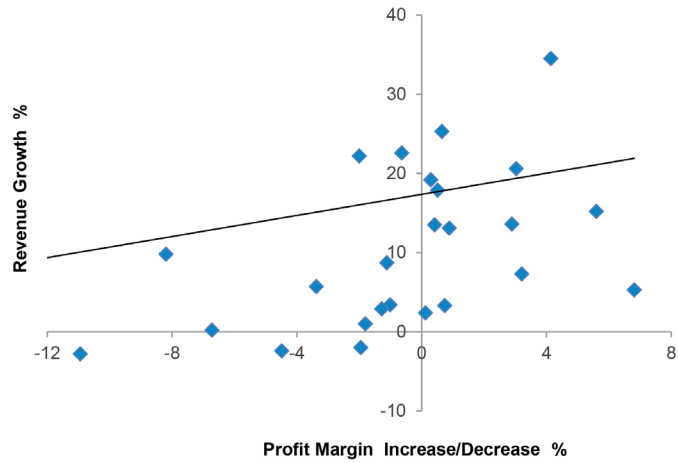


UK companies were, on average, forecasting revenue to grow by 13% and a 1% point improvement in profit margin. The European companies that provided forecasts were predicting 12% growth in income but only a 0.1% point increase in margin. There was a positive but weak relationship between revenue growth and improved profit margin.

The conclusion would appear to be that the costs associated with acquiring new business offset the extra revenue in the short term. Alternatively, it could mean that new business is being priced at lower margins.

We asked for firms' forecasts of revenue and profit for the current year. Of the firms which completed that section, 61% forecasted a rise in profit margin. The median forecast was for an increase in profit margin of 0.3% points, which would indicate an average margin in 2016/17 of 8.2% for this year's group of participants. Of those that provided a forecast, revenue is expected to grow by over 12%, with only one company forecasting lower revenue.

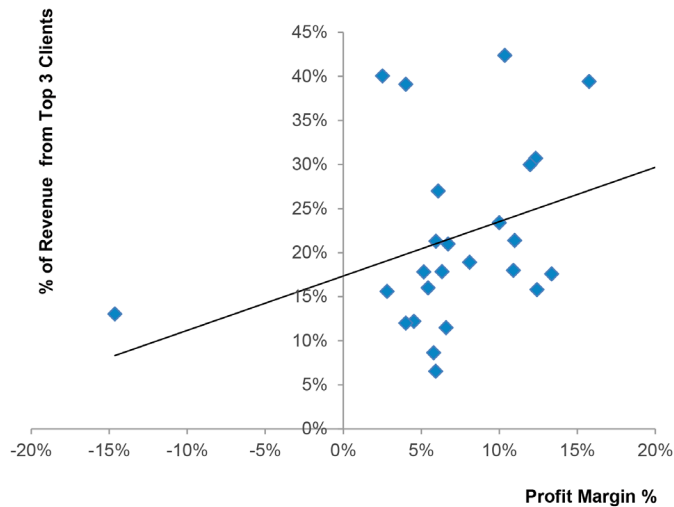
Chart 8 Weak correlation between Revenue Growth and Profit Margin Improvement



There was no discernible correlation, either negative or positive, between profit margins and the public/private sector mix of each company's clients.

Surprisingly, however, there was quite a strong positive correlation factor of 0.50 between each company's profit margin and the combined percentage of revenue received from their 3 biggest clients. The result is surprising, because the results from the previous Benchmarking report showed a negative (albeit weaker) correlation factor of -0.31 suggesting that relying on a few major clients may restrict opportunities for above average margins. This year suggests the reverse or perhaps that the results are random.

Chart 9 Correlation between Profit Margin and % of Revenue from Top 3 Clients



Return on Assets and Return on Equity

Profit Margin

Profit Margin in the Benchmarking report is after interest and measured against revenue net of sub-contract and outsourcing costs. The following table shows Profit before interest and tax (EBIT) as a % of gross revenue. For UK companies EBIT averaged 6.59% of gross revenue compared to the European average of 4.93%. Weighted averages are used in both cases.

Asset Turnover

Gross Revenue as a multiple of Total Fixed and Current Assets. This averaged 1.24 for UK firms and 1.18 for European firms. Both the UK and European weighted averages were strongly influenced by companies with low rates of asset turnover (1.0 or less); the medians were significantly higher at 1.71 times gross revenue for UK companies and 1.44 for European companies. The European companies had higher fixed assets than the UK companies.

Return on Assets

Profit before interest and tax (EBIT) as a % of Total Fixed and Current Assets. Partly because of the lower rate of asset turnover, European companies averaged a lower 5.8% return on assets than the 8.1% average for UK companies.

Leverage Multiplier

Total Fixed and Current Assets as a multiple of Shareholders Funds. UK companies had a slightly higher Leverage Multiplier (3.02) to the European average (2.85).

Return on Equity

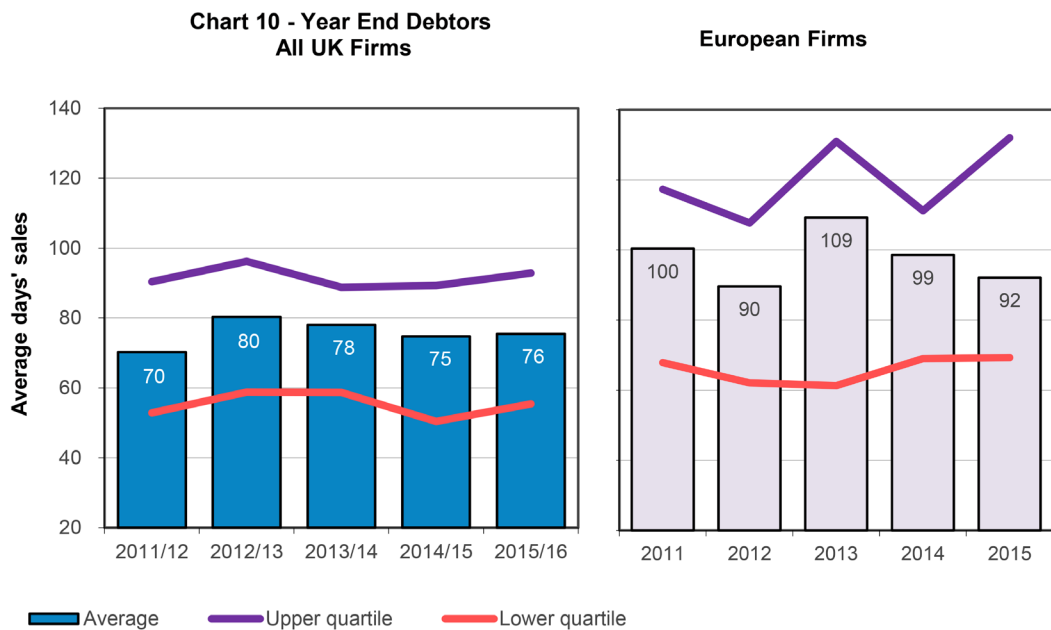
Profit before interest and tax (EBIT) as a % of Shareholder funds. UK firms averaged 24.6%, which was above the European average of 16.6%

TABLE 1 - RETURN ON ASSETS AND RETURN ON EQUITY					
	Profit Margin x	Asset Turnover =	Return on Assets x	Leverage Multiplier =	Return on Equity
	(EBIT/ Gross Revenue) %	(Gross Rev/ Assets)	(EBIT Assets) %	(Assets/ Equity)	(EBIT Equity) %
UK Firms - Average	6.59	1.24	8.14	3.02	24.57
UK Firms - Median	7.14	1.71	10.01	2.08	26.14
European - Average	4.93	1.18	5.82	2.85	16.60
European - Median	5.93	1.44	6.81	2.92	26.42
All Firms - Average	5.76	1.21	6.95	2.93	20.38
All Firms - Median	5.96	1.57	8.47	2.22	26.14

Debtors

The average debt collection period for UK companies was equivalent to 75.5 days' sales in 2015/16 which was an increase of almost 1 day from the previous year's average of 74.7 days. The European firms' 2014 average was much higher than the UK average at 98.5 days' sales, but there was a useful improvement to 92.1 days in 2015.

A substantial part of the difference between UK and European average debtors this year is that the European firms had higher debtors within the 0-60 days bracket (73 days' sales compared to 59 days for UK firms), which is not a particularly serious issue. Debtors over 60 days old averaged 16 days' sales for UK firms compared to 19 days for the European average.

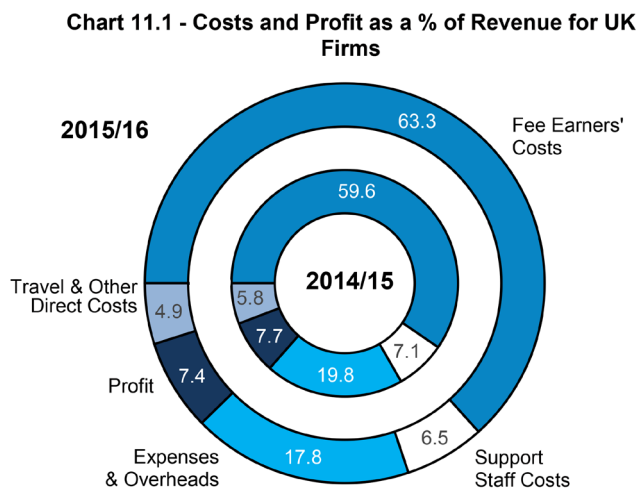


Controlling Costs

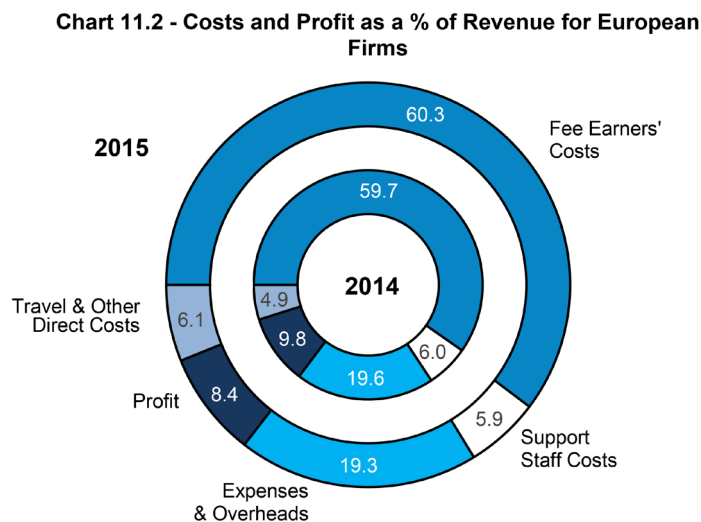
Revenue, Costs and Profit

Chart 11.1 shows the average breakdown of revenue into the principal cost headings and profit for this year and last year for UK firms, and Chart 11.2 does the same for the European companies. For UK firms the latest year is described as 2014/15, but as 2014 for the European firms as discussed earlier. The full results, together with the breakdown into different size groups for the UK firms, can be found on Tables 1 and 5 of the Appendix in this report.

Comparison of the average UK results from last year's and this year's reports, shows higher payroll costs for fee earners partially offset by lower overheads, and travel and direct costs.



Fee earners' payroll costs were higher in 2015 relative to revenue for the European group than they had been in the previous year, but the increase was only 0.6% of revenue, whereas UK average fee earners' costs were 3.7% points higher. Support staff costs were slightly lower at 5.9% of revenue. The Europeans made only modest reductions in Expenses and Overheads (-0.3% of revenue) whereas the UK average was 2.0% points lower.



Travel and Other Direct Costs

This cost heading includes travel, hotels and subsistence that have been booked to specific projects as well as car running costs (except where the car is provided largely as a 'perk'). It also includes other expenses such as official fees paid on behalf of the client.

Where these costs are recharged, they have been excluded both from costs and revenue but leaving any mark-up within revenue. Direct costs as a % of revenue accounted for 4.9% of net revenue for UK firms, which was a sharp increase from 3.9% in the previous year. Direct costs for European firms accounted for 6.1% of net revenue, compared to 5.0% in the previous year.

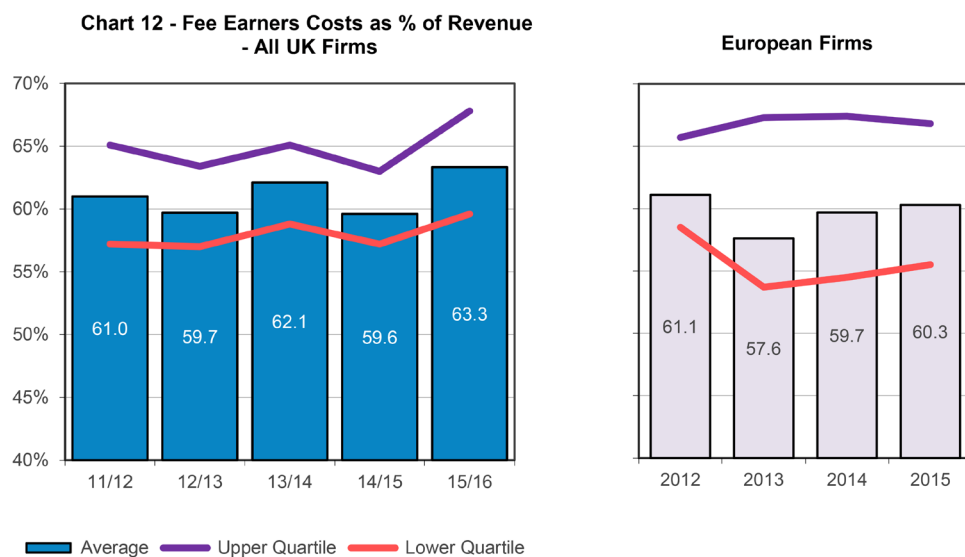
Fee Earners Costs

Averaged over all firms (UK and European), the employment cost of fee earners equalled 61.9% of revenue, which was higher than the previous year of 60.2%. That includes partners and directors, as well as all other fee earning staff including contract staff and trainees.

UK firms were very active in recruiting more staff, with an 8.5% increase in headcount during the latest year (partly through acquisitions). Together with rises in cost per head, employment costs rose faster than revenue. The UK average cost for fee earners rose by 2.6% points on a constant sample basis to 63.3% of revenue.

In contrast, the average for European Companies improved by 1.0% points to 60.3% on a constant sample basis. UK support costs averaged 7.1% which as in previous years was well above the 5.9% average for European firms. Total employment costs averaged 69.8% of revenue for UK firms, which was significantly higher the average for European firms of 66.2%.

The ratio of fee earners' costs to revenue depends on how many staff each firm has, the mix of seniority and qualifications, salary levels and, most importantly, the revenue they achieve.



Salary Levels

The average payroll cost per fee earner including partners and directors for UK companies was 5.5% higher than the previous year at £53,000 (€73,000) on a constant sample basis. There was a 12.4% increase in fee earners (simple average) during the year with the biggest increases amongst Engineers (2-5 years' experience) and Juniors and Graduates.

Table 2 shows median costs per head in £s and Euros. UK results were higher in 2015/16 when measured in Euros as the £ was stronger in 2015 than 2014 (£1 = €1.239 in 2014 but €1.377 in 2015).

The average fee earner (including directors) in the European firms cost €62,500 (£45,400), which was 2% lower than in the previous year's report. However, on a constant sample basis, payroll costs per fee earner for 2015 were 0.9% higher than in 2014. The number of fee earners increased by 8.2% during 2015. The faster growing categories were Engineers (2-5 years' experience) and Technicians.

UK companies reported paying an average bonus to employees (excluding partners and directors) of £1,000 (€1,377) in the year under review. The corresponding figure for the previous year was £1,390. Five European firms reported a separate figure for bonus payments with a median value of €2,250 (£1,630).

Medical Insurance, Pension Contributions and Other Staff Benefits averaged £2,460 (€3,390) per employee for UK firms and €3,080 (£2,240) per employee for European firms.

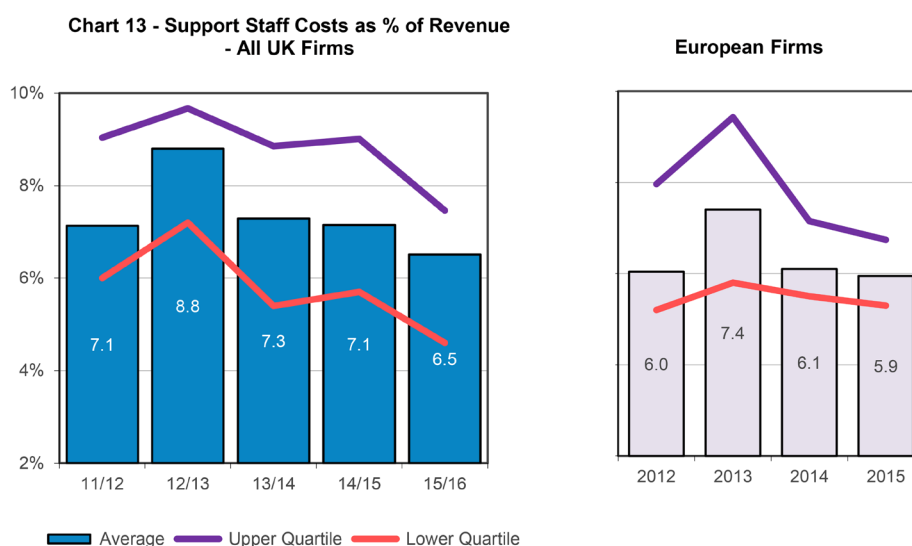
TABLE 2 - AVERAGE PAYROLL COST PER EMPLOYEE			
		All UK 2015/16	European 2015
Senior Professionals	£	63,600	63,500
Senior Professionals	€	87,600	87,500
Engineers	£	39,500	43,100
Engineers	€	54,500	59,400
Senior Technicians	£	39,500	44,400
Senior Technicians	€	54,400	61,200
Junior & Graduate Engineers	£	27,000	37,200
Junior & Graduate Engineers	€	37,100	51,300
Technicians & Trainees	£	17,800	24,000
Technicians & Trainees	€	24,600	33,100
Other Fee Earners	£	49,600	40,400
Other Fee Earners	€	68,300	55,600
Average - All Fee Earners	£	53,000	45,400
Average - All Fee Earners	€	73,000	62,500

Support Staff Costs

Total numbers of support staff employed at the end of the year were 4.4% higher for UK companies than at the beginning of the year. Comparing average full-time equivalent support staff numbers for 2015/16 with 2014/15 shows a weighted average increase of 8.0%; acquisitions were a contributory factor. Median costs per head were unchanged, recruitment of new staff perhaps offsetting any increases for existing staff. The overall staff cost ratio improved from 7.1% to 6.5% of revenue.

Total support staff headcount for the European companies was 1.9% higher at December 2015 than at the beginning of the year. For the firms that also took part last year, the average full-time equivalent numbers of support staff in 2015 showed a 7.8% increase over the average for 2014. Costs per head for support staff were unchanged on a constant sample basis. The average cost ratio improved from 6.1% to 5.9% of revenue.

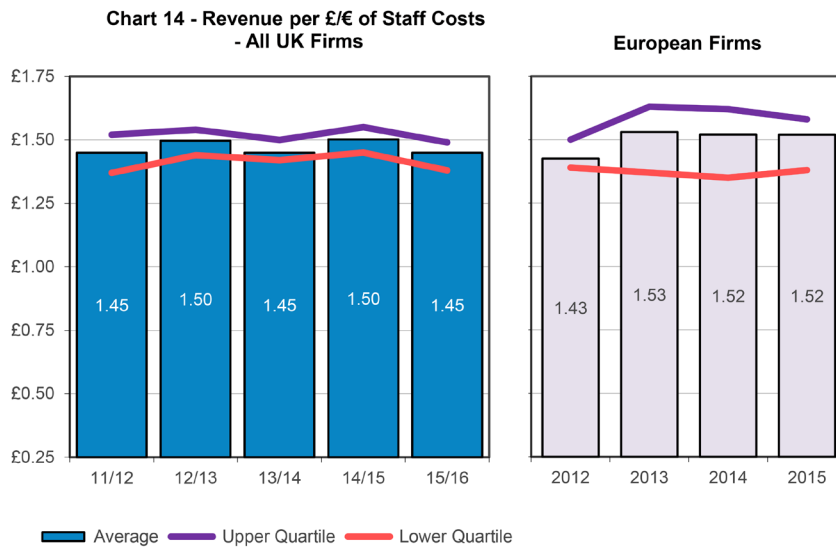
Median UK support staff costs per head were £38,700 (€53,200). Costs per head for Finance and Marketing staff were higher this year; all other support staff categories were 3% - 4% lower per head than the previous year. Marketing, Quality/Health & Safety and General Administration staff costs were on average about 5% higher than the previous year. Costs per head for the European firms were €59,300 (£43,000).



Relative salary levels do not explain high or low profitability, but what is clear-cut is that the balance between how much employees are paid and the level of fees generated is a very significant factor in determining profit margin.

With staff costs increasing faster than revenue, UK companies generated £1.45 (£1.50 in 2014/15) of revenue for every £ of employee costs (including salaries for Directors and Partners). Upper and lower quartile values were £1.49 and £1.38. This is a key ratio that correlates more closely with profit margin than almost any other. It is also a measure that remains valid from year to year. As payroll costs increase, it is hoped that revenue will increase at least as fast.

For the European firms, the increase in staff costs was, on average, in-line with the rise in revenue and the median result was unchanged at €1.52 per €1 of revenue. For this benchmark, the currency factor is irrelevant; the same result would be shown whatever currency is used.

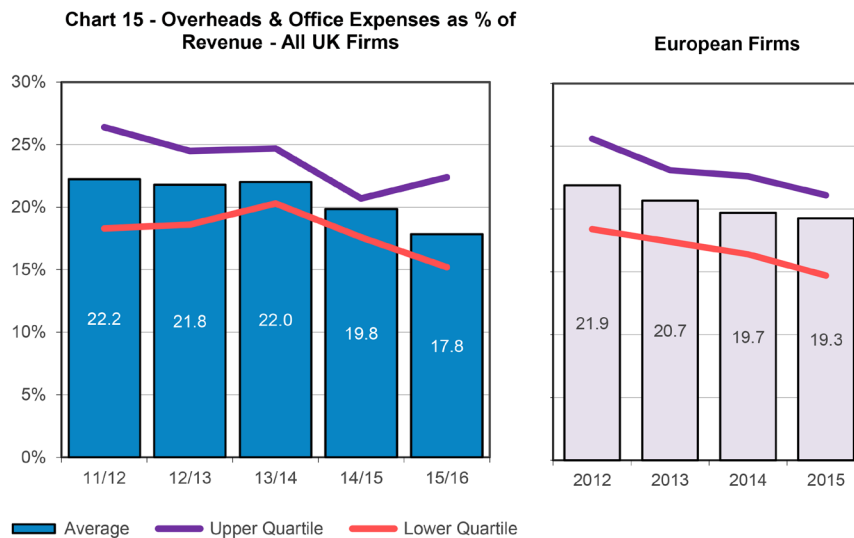


Office Expenses and Overheads

Most UK and European firms were successful in controlling overheads in the latest year. The average cost ratio for all UK firms improved from 19.8% to 17.8% of revenue.

Average expenditure on Marketing, Training and Bad Debts were higher in the latest year for UK companies but there were significant reductions in Premises costs, IT, Travel and in the residual category of Other Expenses and Group Recharges.

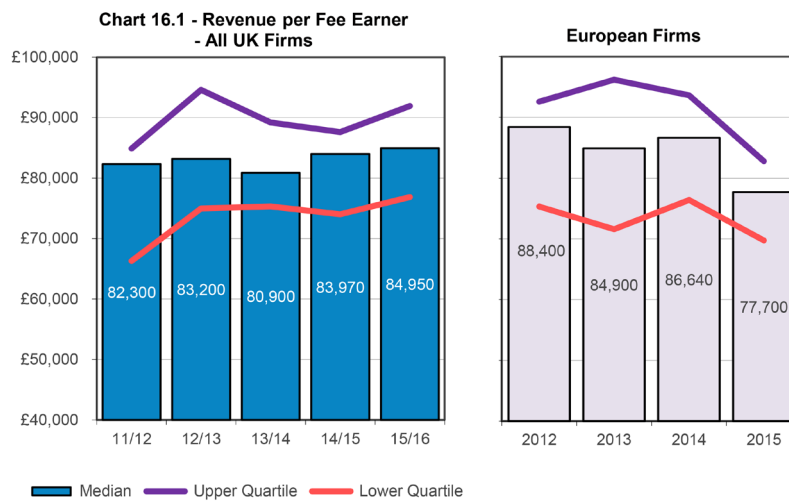
The average level of overhead costs for the European firms improved from 19.7% to 19.3% of net revenue. On a constant sample basis overheads and office expenses were only 4.7% higher than in 2014 whilst revenue increased by 6.3%. Marketing costs, Recruitment, Training and Premises costs increased faster than revenue on a constant sample basis. Bank Interest, Bad debts and the residual categories of Other Expenses and Group Recharges were lower in relation to revenue. The average European bad debt charge of 0.44% of revenue exactly matched the UK figure.



Productivity

Revenue per Fee Earner

Revenue per Fee Earner is calculated as Net Revenue (ie excluding subcontractor costs, overseas outsourcing and Design and Build costs) divided by the number of Fee Earners. The median result for UK companies improved by 1.2% from £83,970 to £84,950. Fee earners include directors and partners even though some may have little direct involvement in specific project work. At the other end of the scale, trainees are included but not students. Any part-time workers and temporary staff are adjusted to full-time equivalents.



The average annual value of the £ increased by 11.0% against the Euro in 2015. Clearly 2016 will show a quite different exchange rate.

Consequently the median UK revenue per fee earner (1.2% higher in £s) was 12.4% higher in 2015/16 when measured against the Euro.

The median revenue per fee earner for the European firms in this year's report was 0.3% lower than the previous year at €107,030. However, if we look at the companies that took part in both years, there was a 2.8% improvement.

The relative fall of the Euro against the £ in 2015 meant that revenue per fee earner in £s was 10% lower than the previous year for the European average.

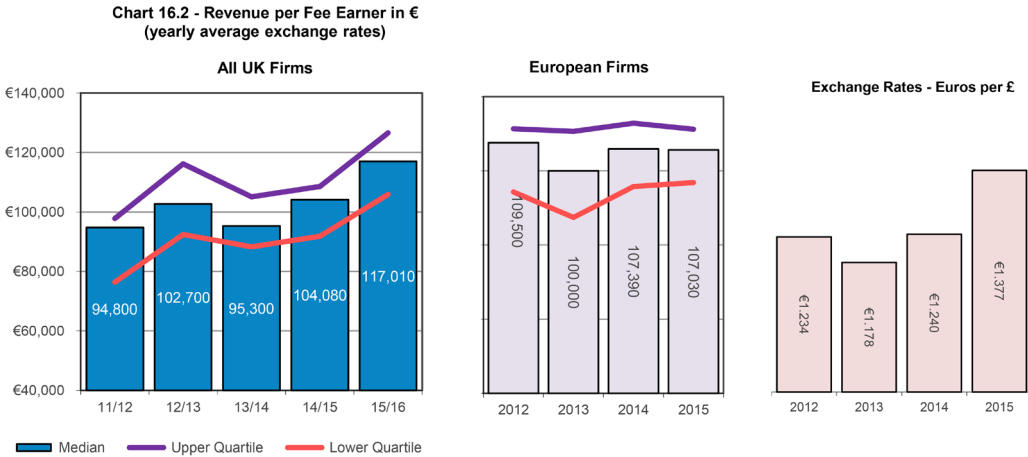
		Upper Quartile	Median	Lower Quartile
UK - Over 500 employees	£	99,260	86,410	75,190
	€	136,720	119,020	103,570
UK - 250 to 500 employees	£	88,850	81,740	78,630
	€	122,380	112,590	108,300
European Firms	£	82,780	77,700	69,740
	€	114,020	107,030	96,050
All Firms	£	89,270	81,450	71,270
	€	122,960	112,190	98,170

A similar pattern was shown by the results for Revenue per Staff Member including support staff. The 2015/16 All UK Firms median of £74,275 was 0.3% above the 2014/15 result in £s but 11.5% higher in euros at €102,350. The European median of €95,000 was 3% lower than 2014 but 2.8% higher on a constant sample basis.

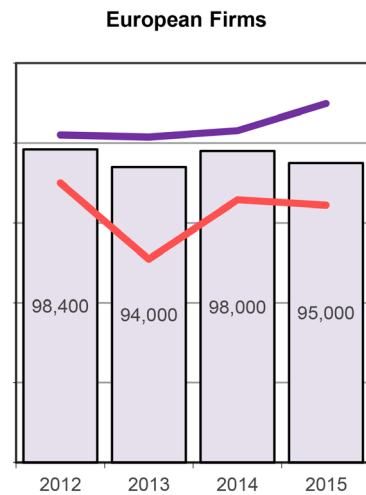
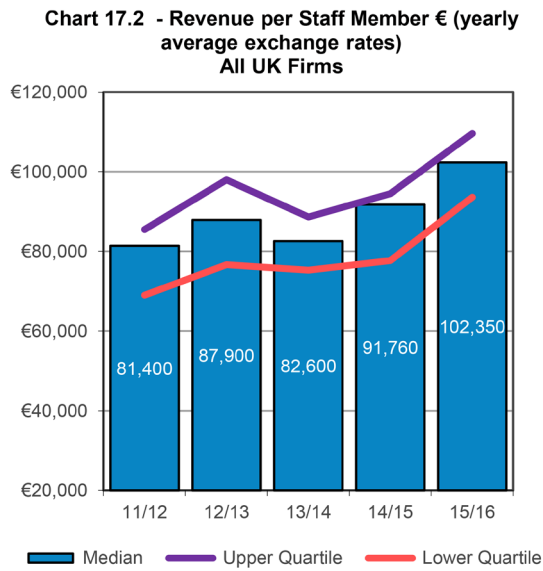
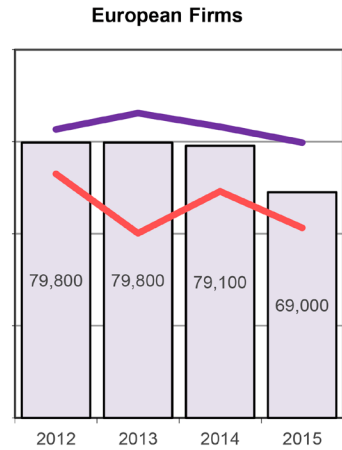
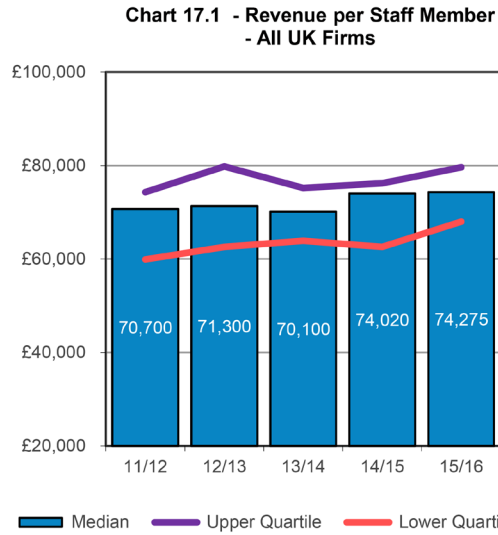
TABLE 4 - REVENUE PER STAFF MEMBER INCLUDING PARTNERS/DIRECTORS				
		Upper Quartile	Median	Lower Quartile
UK - Over 500 employees	£	85,500	75,900	66,300
	€	117,800	104,600	91,300
UK - 250 to 500 employees	£	73,400	70,700	69,100
	€	101,100	97,400	95,200
European Firms	£	79,800	69,000	61,300
	€	109,900	95,000	84,400
All Firms	£	80,700	71,700	64,500
	€	111,000	98,800	88,800

Chart 16.2 shows the daily exchange rate averaged over each year. Averaged over the 12 months of 2015, the exchange rate was €1.377 = £1. The 2014 average was €1.240 = £1. Several of the UK companies had March or June year-ends but we have converted all UK firms at the calendar 2015 exchange rate.

Chart 16.2 also shows what the UK average level of Revenue per Fee Earner would have been over the last five years if we convert each year's result at the exchange rate for that particular year.



In calculating both Revenue per Fee Earner and per Staff Member we use the full-time equivalent (FTE) number of employees including contract staff. We also estimate an FTE for each firm's expenditure on temporary staff by reference to that company's payroll costs per head for its own staff.



In Summary, Revenue per Fee Earner improved on a constant sample basis by 1.5% for UK firms as measured in £s. For the European group, Revenue per Fee Earner grew by 2.8% measured in Euros.

Revenue per Fee Earner is driven by two factors; Revenue per Billed Project Hour and Project Hours per Fee Earner. Revenue per billed project hour is the total fees earned (whether fixed fee or hourly charged) divided by total project hours worked.

Revenue per Billed Project Hour for UK companies ranged from £44 - £89 per project hour with a median value of £65.4 (€90.0) compared to the previous year's median of £63.5 per hour.

Of the European participants which provided the number of project hours worked the median revenue was €92.5 (£67.2) per project hour.

The link between revenue per fee earner and revenue per project hour is the number of billed project hours per fee earner. The UK average of 1,354 billed hours per fee earner per year was 1.2% lower than the previous year. The European average was 1,280 billed hours per fee earner (1,224 hours in the previous year).

We make a distinction between 'billed' and 'unbilled' project hours. 'Unbilled' hours are intended as a measure of project time for which in effect, the client does not pay you. This could cover time spent in excess of budget on fixed fee contracts or in the case of hourly/daily paid work, time that you feel, for whatever reason, unable to bill to the client.

Not all firms measure 'unbilled hours' but of those that do, it was equivalent to 38 hours per fee earner per year or 2.2% of paid hours for all UK and European firms.

Utilisation of Fee Earners Time

In this project, utilisation of staff time (project hours, time spent on bidding and marketing, training etc.) is measured against Total Paid Hours. This is defined as contractual hours less holidays and Bank Holidays plus any paid overtime.

For example, if the basic working week is 37 hours and after deducting holidays and bank holidays, an employee works for 46 weeks a year, then paid hours would be just over 1,700 hours a year. If the average employee works paid overtime of 2 hours a week (say 100 hours a year) then Total Paid Hours would be 1,800. However, if the 100 hours overtime are unpaid, then Total Paid Hours would be only 1,700. The actual average this year was 1,744 paid hours per fee earner for UK firms and 1,651 hours for the European companies.

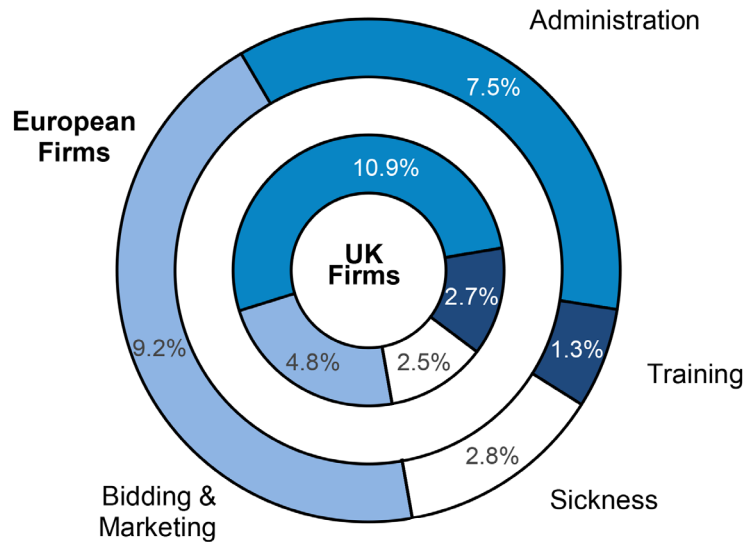
On this basis, billed project hours were equivalent to 77.8% of Paid Hours for UK companies, which was lower than the 2014/15 average of 79.5%. In contrast, the average utilisation for the European firms improved from 75.9% in 2014 to 78.1%.

UK fee earners had been spending less time on bidding and marketing in the two years before the period covered by this report. The reason may have been that with revenue growing strongly, fee earners had been too busy with existing work to maintain the level of marketing activity. However, in the latest year (2015/16), fee earners have spent more time on these activities. The average UK fee earner spent 4.8% of total hours on preparing bids and more general marketing activities in 2015/16, compared to 4.4% in the previous year.

The average European firm allocated 9.2% of total fee earner hours to bidding and marketing in 2015, which was a sharp increase from 7.2% in 2014.

Chart 18 shows how the time that fee earners spent on activities other than project work was allocated.

Chart 18 - Fee Earners' Non-Project Hours



In response to increased recruitment, UK firms spent more time and money on staff training. In the latest year, 2.7% of UK fee earners' time was spent on training, which was much higher than in the previous year (1.6%) and close to the pre-recession level of 3%. Average expenditure also increased from 0.50% of revenue to 0.61%, or from £420 to £540 per employee. Staff time allocated to training for European firms was lower in 2015 at 1.3% of total fee earner hours (1.7% in 2014). The average European firm spent €450 (£330), which was a reduction from €570 in 2014.

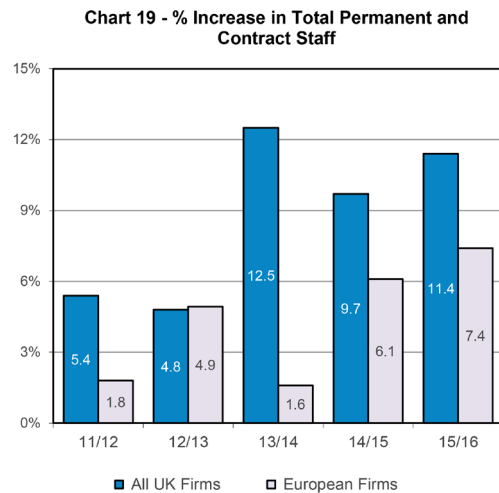
Time lost through absenteeism rose from 1.6% in the previous year to 2.5% for UK firms. The average was influenced by a few very high levels of absenteeism; the median was 2.0%. The average for the European firms improved from 3.3% to 2.0%.

Staffing

Staff Turnover

The revenue productivity ratios discussed in the previous section are measured against the average number of full-time equivalent employees for each firm during the course of their financial year.

For the UK firms, average headcount was over 20% higher than the previous year but that was heavily influenced by 2 major acquisitions towards the end of the previous year with the full effect felt in the latest year. We also ask each firm for their total headcount (permanent plus contract staff) at the beginning and end of each financial year. The averages shown on Chart 19 are simple averages (all firms' results are equally significant). These show growth of 11.4% for UK firms (9.5% excluding acquisitions in 2015/16) and 7.4% for European firms.



It may also be useful to look at the actual numbers employed for all firms (i.e. a weighted average). This showed an increase in permanent staff numbers of 6.4% for all UK firms. Total contract staff numbers were 3.7% higher, giving a total increase in headcount of 6.1%. Just over 80% of UK firms increased their total headcount during the year. For the European firms, total headcount increased by 11.3% between the beginning and end of the year. Excluding staff joining through acquisitions, headcount increased by 4.9%. Almost 85% of European firms increased their headcount during the year.

Graduate Sponsorship

Companies are maintaining their involvement in graduate sponsorship.

Currently, 80% the UK firms run undergraduate or postgraduate sponsorship schemes and one other is in the process of introducing sponsorship. The UK firms in the benchmarking project currently sponsor a total of 256 undergraduates or postgraduates (249 in the previous year). 50% of the European companies have sponsorship arrangements for a total of 208 undergraduates or postgraduates.

All companies have arrangements with educational establishments to offer work experience except for one European firm.

Voluntary Staff Turnover

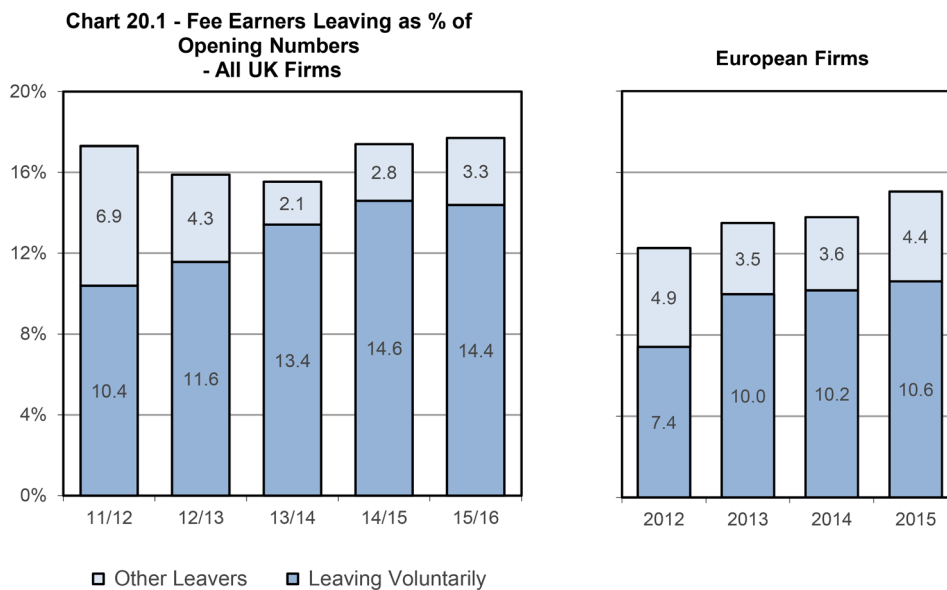
UK fee earners leaving voluntarily averaged 14.4% of the numbers employed at the start of the year (14.6% in the previous year). Including fee earners leaving for other reasons, the total turnover rate for fee earners increased slightly from 17.4% to 17.7%. The number of fee earners joining was equivalent to 30.1% of the headcount at the start of the year giving an average net increase of 12.4%.

The total headcount figures for all UK firms (ie weighted averages) showed 17.3% of fee earners leaving (13.2% voluntarily), 24.3% joining and a net increase of 7.1%.

For the European firms, fee earners leaving for all reasons averaged 15.1% of opening staff numbers, which was higher than the previous year's average of 13.9%. The number leaving voluntarily increased from 10.2% to 10.6%. Fee earners joining averaged 23.2% giving a net increase of 8.2%, 2.5% of which was through acquisitions.

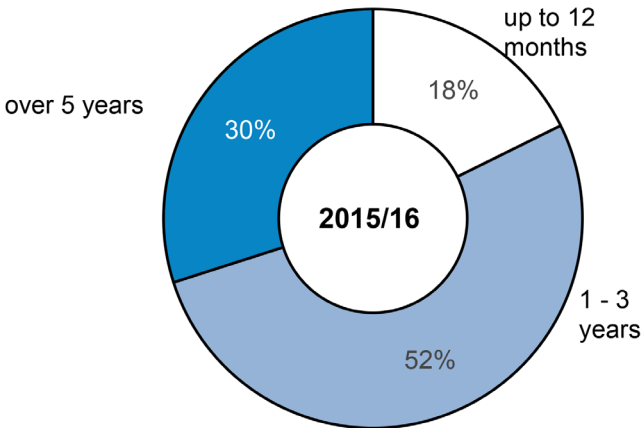
If we look at total staff numbers for the European firms (weighted averages) the percentage leaving voluntarily of 7.9% was lower than the simple average. Staff joining totalled 22.7% of the opening headcount of which 2.4% were through acquisition. Total fee earners increased by 11.3%.

Support staff turnover rates were 21.1% for UK firms (16.6% leaving voluntarily) and 17.0% for European firms (10.1% leaving voluntarily). The net increase for support staff was 6.6% for UK firms and 1.9% for European firms.



The average length of service for those UK fee earners that left voluntarily was 3.5 years (compared to 4.2 years in the previous year's report). Fee earners leaving European companies had an average length of service of 4.0 years in 2015 compared to 4.2 years in 2014.

Chart 20.2 - Length of Service of Fee Earners Leaving Voluntarily



Diversity & Inclusion

This is the first year this Benchmarking initiative has included questions about Diversity & Inclusion and we are pleased so many firms have responded.

We may refine this section of the Report going forward. Please send all suggestions to pea@acenet.co.uk

TABLE 5 - DIVERSITY & INCLUSION		Large UK	SMEs	European Firms	
1	Do you consider diversity and/or inclusion to be business priorities?	Yes	100%	76%	75%
		No	0%	24%	25%
2	If Yes, when did this become a business priority?	In the last year	17%	0%	0%
		In the last 3 years	25%	15%	0%
		Over 3 years ago	58%	85%	100%
3	What are the main business imperatives for your work on D/I?				
	a) Tackling skills shortages		100%	86%	56%
	b) Improving retention and reducing turnover/staff absence		100%	86%	67%
	c) Improving employee engagement and performance		100%	86%	89%
	d) Better reflecting our customers/community		67%	57%	44%
	e) Gaining a competitive edge when bidding for contracts		58%	36%	67%
	f) Other		33%	14%	11%
4	What is the current focus of your work?	Diversity	8%	23%	0%
		Inclusion	8%	0%	0%
		Both	83%	85%	89%
5	This work specifically addresses the following:	Age	67%	64%	67%
		Disability	67%	43%	22%
		Ethnicity	75%	64%	22%
		Gender	100%	93%	67%
		Religion/belief	58%	43%	22%
		Sexuality	75%	43%	11%
		Other	33%	0%	11%
6	What are the greatest challenges to making progress on D/I?				
	a) Not enough diverse candidates		92%	100%	100%
	b) Managers in our organisation regard diversity as a distraction		8%	6%	30%
	c) Our working environment is not suitable for all people		8%	31%	20%
	d) Concern about the potential for additional costs to the business		8%	31%	30%
	e) Not enough time or resources to tackle this issue at the moment		17%	31%	50%
	f) We don't fully understand the issues around diversity/inclusion		33%	25%	10%
	g) Other		25%	6%	0%
7	Who is responsible for delivering the plan/strategy on a day-to-day basis?				
		HR	92%	35%	67%
		Directors	92%	94%	89%
		Senior Managers	67%	24%	56%
		Line Managers	67%	29%	44%
		A diversity team	42%	6%	22%
		Other	25%	0%	0%
8	Does your plan/strategy include measureable targets for diversity and inclusion?				
		Yes	42%	12%	36%
		No	58%	88%	64%
9	Do you report on your diversity and/or inclusion to your employees or publically?				
		Yes	58%	35%	55%
		No	42%	65%	46%

Winning Work

Marketing and Work Won

UK companies increased their investment in marketing in 2015/16. Including the cost of staff time, the average UK investment in bidding and marketing rose from 4.0% in the previous year to 4.3% of revenue. European companies invested a greater amount (7.0% of revenue) than they had in the previous year (6.1%).

Those UK companies with a marketing department employed, on average, 1.4 marketing staff for every 100 employees. A range from 0.7 to 2.7 per 100 employees covers most firms. The average European firm had 1.3 marketing staff per 100 employees.

Payroll costs for marketing staff averaged 0.9% of revenue for UK firms and 0.5% for European firms.

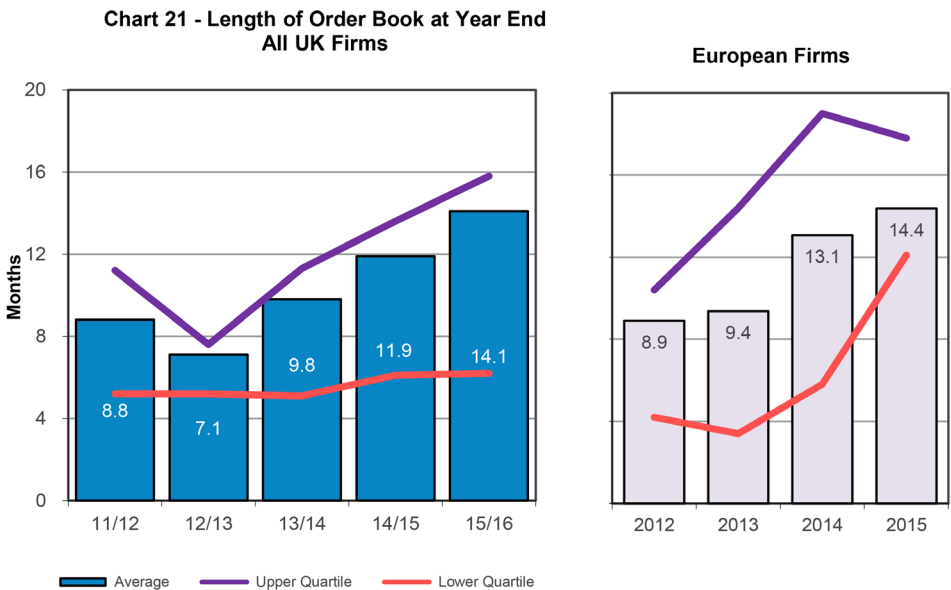
The median cost per head for marketing staff was £52,200 (€71,900) for UK firms compared to £53,100 (€73,100) for European companies. The cost of UK fee earners' time spent on bidding and marketing was equivalent to 2.8% of revenue (2.6% in the previous year). The corresponding cost for European companies was 5.5% of revenue (4.5% in 2014). Despite the strong growth in the current project workload, European firms were able to allocate more time to marketing activities, which carries the potential for future revenue growth.

The average success rate for competitive tendering was lower this year for UK companies at 49% of the number of bids compared to 56% in the previous year, but better than the 47% average from two years ago. The median success rate for European companies was unchanged at 45% but only half the European firms were able to provide that figure.

Order Book

For UK firms the median growth in order books was up 24% at the end of the latest year; 93% of firms reported a higher order book. The median growth in order books for European firms was 6.0%. Four companies were unable to provide that data.

In terms of month's work, the average UK order book improved from 11.9 to 14.1 months' work. The European average rose from 13.1 to 14.4 months' work.



Environmental and Sustainability Issues

Over the last 4 years' benchmarking reports, companies have given details of initiatives to deal with energy management and reducing energy consumption within their own businesses. The following specific new actions and comments were reported this year.

- We have completed ESOS Phase 1. As part of on-going office refurbishments, we have sought to implement energy efficient equipment.
- So far this year (2016) we have reduced our total office floor area.
- We are obliged by EU regulations - Energy Opportunities Saving Scheme - to record, baseline, and set out a strategy for reducing emissions, but this is in the early stages of development.
- We have implemented an Environmental Management System compliant with ISO14001.
- We have improved monitoring of energy usage.
- We have achieved ISO:14001 accreditation.
- The main focus has been on adoption of agile working practices to increase utilisation of existing space. The ongoing automatic monitoring & targeting of utility usage supports the business, identifying wastage/unnecessary consumption.
- We use Environmental KPIs, Dashboards, Carbon footprint and smart metering
- We have targets in place to deliver our environmental stewardship commitments and this is supported by our ISO:14001 Environmental Management System. In the last year, we have moved several locations to more energy efficient and modern office spaces, including London, Birmingham and Manchester. We have undertaken energy audits to identify improvement areas in our offices and we have set up a new environmental champion network.
- We are increasing staff training to reduce energy consumption; We are optimising our hardware resources by reducing server installations, and introducing a printing control number.
- We recycle paper, and use LED lighting

Of this year's participants, 3 companies (2 UK and 1 European firm) are required to participate in emission trading schemes and 1 other is likely to do so in future. 45% of all companies (UK and European) currently measure the carbon footprint of their staff. A further 14% are working toward being able to measure this. The average results for Emissions per person are shown in Table 5.

This year's average of 3.061 tonnes of CO₂ per person is 1.3% lower than the average figure supplied to us last year.

TABLE 6 - TYPE OF EMISSION (TONNES CO2 PER PER EMPLOYEE)	
	Average all firms
Scope 1 – Direct (Gas emission and Owned Transport)	0.319
Scope 2 – Indirect (Purchased electricity and heat)	0.833
Total – Standard Practice Emissions/person	1.152
Scope 3 – Indirect (Business Travel)	1.358
Scope 3 – Indirect (Commuter Travel)	0.390
Scope 3 – Indirect (Other- suppliers, waste, hotels, etc.)	0.161
Total – Best Practice Emissions/person	1.909
Total Carbon Emissions (Scope 1+ 2 + 3)	3.061
Carbon offsets/Green Tariff	-0.250

Liability

This is the first year this Benchmarking initiative has included questions about Liability and we are pleased so many firms responded.

We may refine this section of the Report going forward. Please send all suggestions to pea@acenet.co.uk

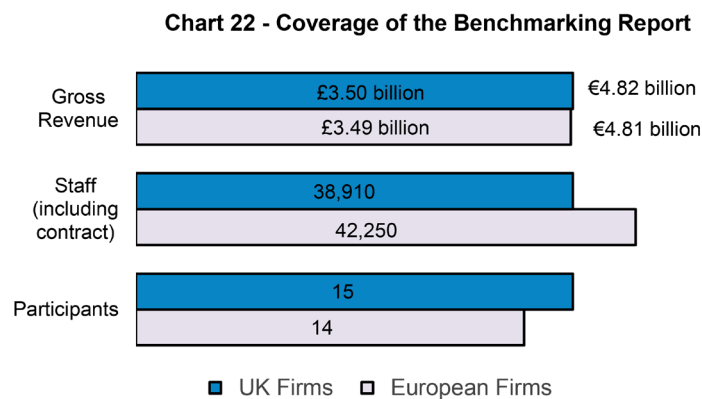
TABLE 7 - LIABILITY			Large UK	SMEs	European Firms
1	Clients insist that the professional appointment contains no financial cap on liability				
	Rarely		46%	53%	55%
	Frequently		46%	41%	45%
	Nearly always		9%	6%	0%
2	Clients to require that their professional appointments contain no financial cap on liability. This is				
	Increasing		27%	35%	55%
	Decreasing		18%	6%	0%
	Staying the same		55%	59%	46%
3	Which type of client is most likely to insist on no financial cap on your firm's liability?				
	Public Sector		46%	33%	64%
	Contractors		36%	40%	27%
	Developers		64%	47%	0%
	Other private sector		18%	7%	9%
4	How often will your clients engage in a reasoned negotiation as to the appropriate financial cap on liability?				
	Rarely		0%	23%	9%
	Fewer than half		25%	18%	37%
	More than half		33%	23%	27%
	Mostly		42%	35%	27%
5	How often will your clients agree to include a "net contributions clause"?				
	Rarely		73%	40%	60%
	Fewer than half		18%	27%	20%
	More than half		0%	7%	0%
	Mostly		9%	27%	20%
6	How often will your clients agree to include a clause which excludes your firm's liability in respect of certain types of loss?				
	Rarely		55%	33%	18%
	Fewer than half		36%	27%	27%
	More than half		0%	20%	27%
	Mostly		9%	20%	27%

The Firms Taking Part

We have received completed reporting forms from a record number of firms. A few others that joined the project were unable to supply data in time for this report. 52% of the Benchmarking Group are UK members and all have taken part regularly in the past. The European companies include 3 from Denmark, 2 from France, 2 from Spain and 1 each from Austria, Germany, Iceland, Ireland, Italy, Switzerland and The Netherlands. We are pleased to welcome three new members this year.

As in previous years, the results for UK companies cover the operations of their UK offices only. For the European companies, their figures are not restricted to their domestic operations.

Some facts about the size of the sample are shown in Chart 22. Year-ends were December 2015 or earlier for 53% of UK firms and March–July 2015 for 47% of UK participants. The average year-end for UK firms was January 2016. All the European companies had December 2015 year-ends. In this report, the phrase “2016 results” refers to the 2016 Benchmarking Report, not firms’ year-ends.



Of the UK companies taking part this year, all but two have participated previously. This continuity has enabled us to identify important trends on a constant sample basis.

Type of Work

Total gross revenue for the UK firms was £3.50 billion (€4.82 bn). Net of subcontracted and outsourced work UK revenue was £2.90 billion (€3.99 bn). Gross revenue for European firms was £3.49 billion (€4.81 bn) and net of subcontract etc. £2.64 billion (€3.63 bn). The overall analysis of total professional fees by type of service that participants provide is shown in Table 6 following.

Compared to last year's report, Engineering Services provided a lower proportion (49.6%) of total revenue for UK firms and within that total, Civil Engineering generated a significantly lower proportion this year (19.7% compared to 27.4% in 2015). Structural and Mechanical & Electrical engineering revenue was higher at 24.7%.

Consultancy revenue generated a higher proportion (48.1%) than in 2014/15 (40.7%).

For European firms Engineering Services generated a higher proportion (58.3%) of total revenue in this year's report compared to 52.2% last year.

TABLE 8 - SOURCES OF REVENUE		
	All UK %	European %
Structural Engineering	11.0	15.5
Civil Engineering	19.7	12.3
Mechanical & Electrical	13.7	7.5
Other Engineering	5.1	23.1
Total Engineering	49.6	58.3
Environmental Consultancy	4.6	10.8
Transport Planning	8.4	1.5
Project Management	10.4	3.5
Construction supervision	1.3	6.0
Other Consultancy	23.5	4.4
Total Consultancy	99.5	100.0
Other Services	0.5	0.0
Total Professional Fees	100.0	100.0

Overseas Work

When the ACE Benchmarking project was set up 11 years ago, UK members decided that they would submit data for their UK offices only and exclude international operations except where the work is carried out by UK offices. Not surprisingly, as much as 91% of revenue was for work carried out for UK projects, with a further 4.7% for other European projects carried out by UK offices. Of the balance, 2.5% was in the Middle East, 0.7% in Africa, 0.7% Asia/Pacific, and 0.4% North and South America.

For the European companies, 50% of revenue was for projects in their domestic market and a further 20% for the rest of Europe, 9.2% in North and South America, 9.2% in the Middle East, 8.4% Africa and 2.7% Asia/Pacific.

Public/Private Sector Clients

UK firms earned 64% of their revenue from Private Sector clients. For the European firms, private sector work accounted for 45% of total revenue which was a higher proportion than the previous year.

TABLE 9 - REVENUE FROM PUBLIC AND PRIVATE SECTORS		
	UK Firms	European Firm
Local Government	12.9	20.5
Central Government	23.0	34.3
Private Sector	64.0	45.2

Sector Analysis

Chart 23 analyses total revenue for the UK and European firms by the sector in which clients are working whilst Chart 24 analyses Infrastructure in greater detail.

The European firms generated a higher proportion of their revenue (78%) from Infrastructure than in the previous year (66%), particularly from as/Electricity/Oil. UK firms generated a higher proportion of revenue this year from Rail, Water, Sewerage, Sea Defences as well as Gas/Electricity/Oil.

Chart 23 - Work by Sector for all Firms

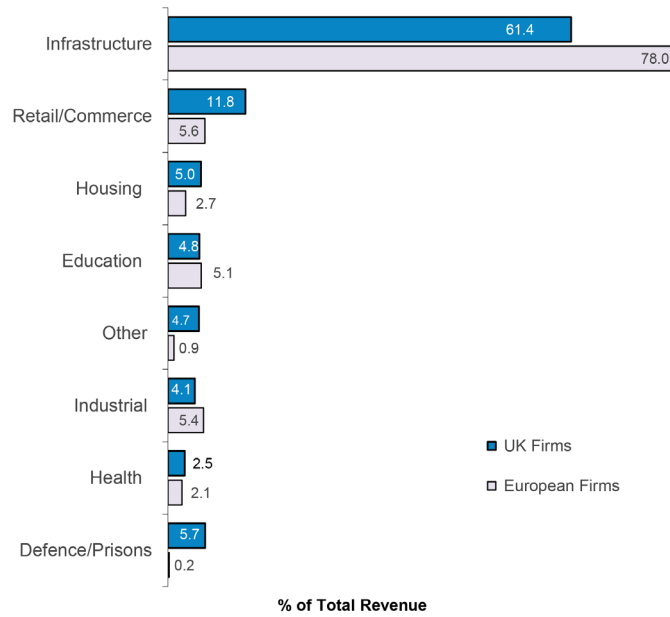
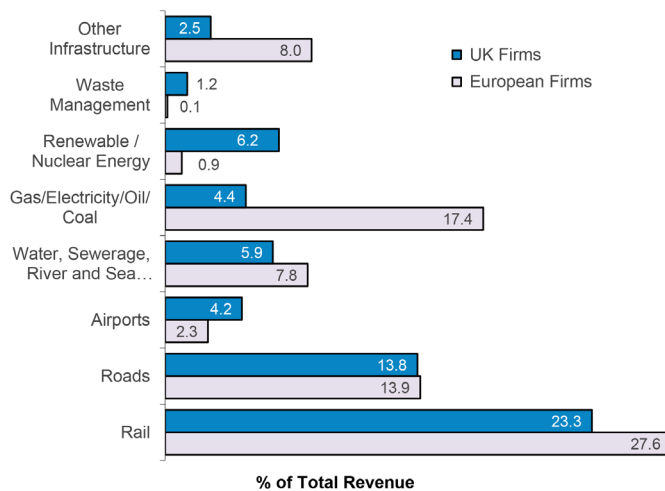


Chart 24 - Infrastructure by Sector



SME COMPANY RESULTS

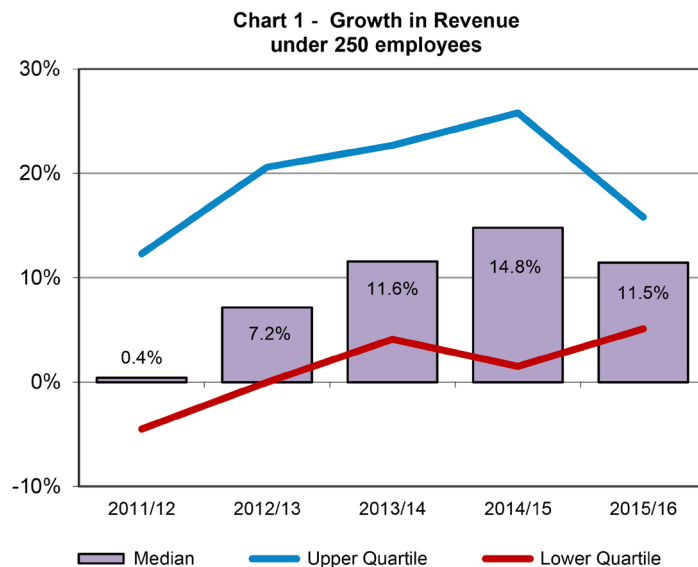
Profitability and Growth

Revenue Growth

A significant majority (90%) of the SME firms in the benchmarking project reported higher revenue than the previous year. The median increase in revenue net of subcontract costs was +11.5%. The median is used because the average can be affected by outlying results. However, this year the simple average produced a similar result of +12.1%.

In the previous year, the highest growth rates were reported by smaller SMEs, this year firms from across the size band were towards the top of the leader-board; the weighted average growth rate was 11.6%.

The median growth rate for Larger UK firms (over 250 employees) in the main benchmarking project was 11.6%. The weighted average was impacted by some quite large acquisitions, but if we exclude acquisitions, the average was 12.0%. In summary, strong growth has been achieved across all size bands of UK firms and for the second year running, the larger companies have matched the average SME growth rates.



The average financial year for both the SME and Larger UK firms was the 12 months to January 2016. However within each group, there were variations in year-ends. To present a more consistent and up-to-date picture of revenue trends we have collected each firm's quarter-by-quarter revenue growth up to the 2nd quarter of 2016.

Chart 2 shows, in index number form, the average growth in revenue quarter-by-quarter using January - March 2014 as the base of 100. It compares the average growth trend for SME Benchmarking with the corresponding average for UK firms of over 250 employees in the Main Benchmarking report.

Over the whole two and a half year period (January 2014 to June 2016) growth has been very similar (+28%) for SMEs and Larger UK firms. Growth for the larger firms was stronger in 2014 but has been rather flat since Q3 2015. Apart from a blip in the first quarter of 2016, average SME revenue has grown strongly since the beginning of Q2 2015.

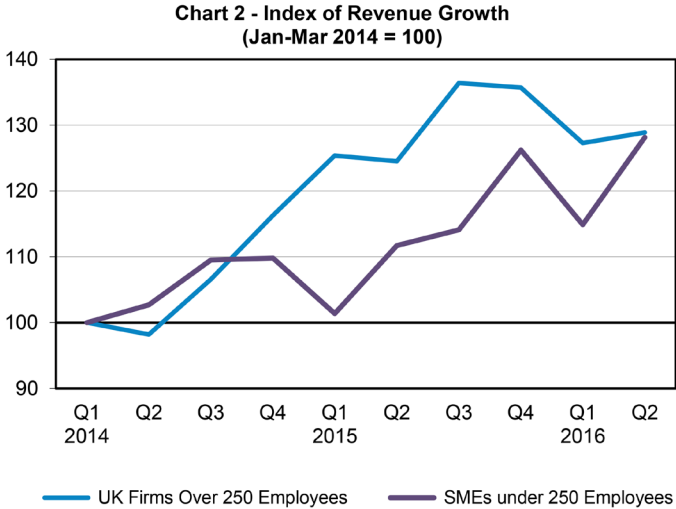


Chart 3 presents the quarterly revenue data in a different form; it shows for each of the last 10 quarters the % increase or decrease in net revenue compared to the same quarter of the previous year. UK firms of over 250 employees grew at a faster rate than SMEs in the first half of 2015, but that position has been reversed in the first half of 2016.

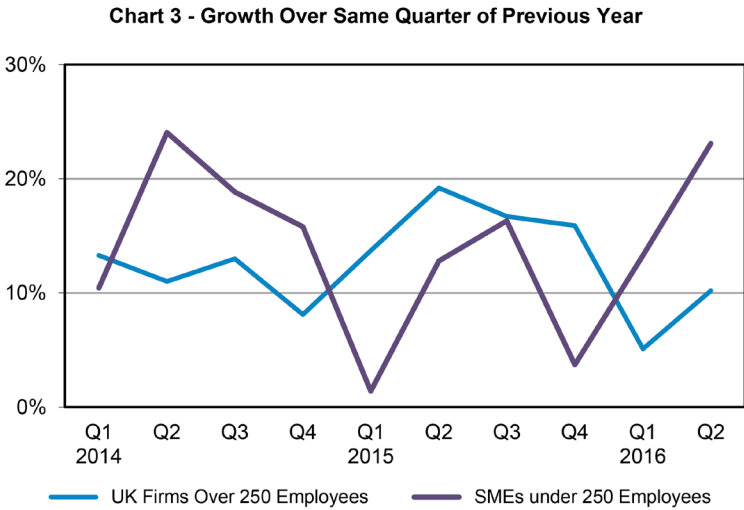
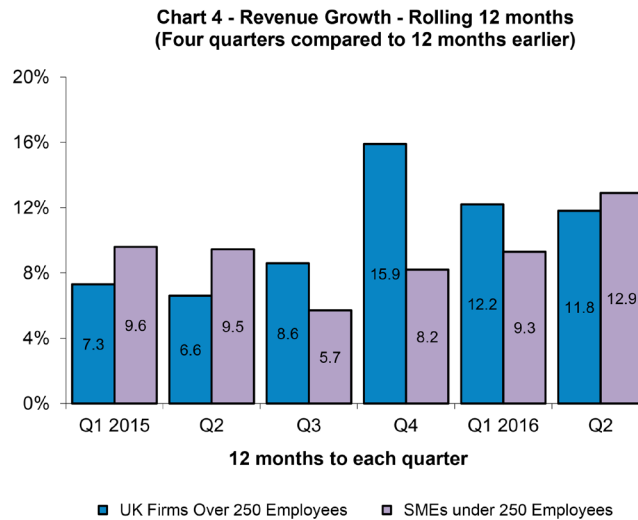


Chart 4 shows the trend in “Rolling Annual Revenue”. By this we mean the sum of the revenue for the four latest quarters at any point. For example, the Q2 2016 result compares total revenue for the four quarters Q3 2015 to Q2 2016 with the 4 quarters to Q2 2015.

For the current group of SME Benchmarking firms, the year-on-year growth rate has improved in each of the last 3 quarters to a peak of 12.8%. The Larger UK firms average growth rates have been over 10% in the 3 quarters to June 2016, helped by the effect of earlier acquisitions.



Profitability

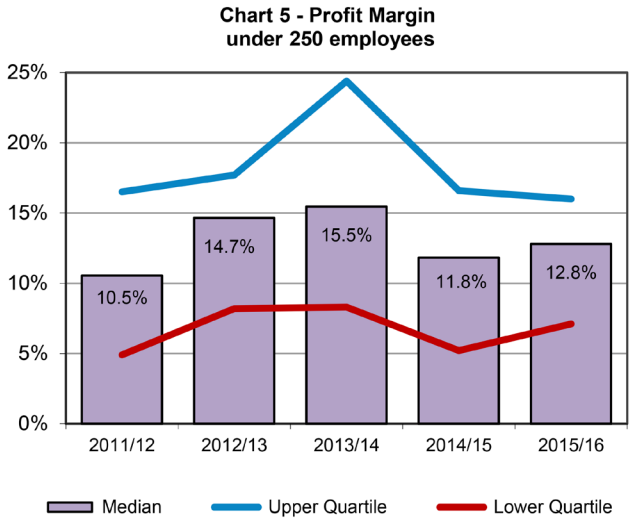
Firms taking part in the Benchmarking project are self-selected and it may be that those doing well are more inclined to take part. This may partly explain why average SME profit margins are better than the average performance for larger firms. Firms operating in niche markets may also be better able to withstand price pressures.

If we combine the reported profit figures (before tax and exceptional items and write-off of goodwill) the overall growth in profit was +34% compared to the previous financial year. That is a weighted average, the median increase was +28%.

On a weighted basis, the average SME profit margin improved from 9.5% to 11.3% in 2015/16. The simple average improved from from 11.8% to 12.8%. Almost 61% of SMEs improved their profit margins and although 39% faced lower margins, the majority of those were starting from a well above average level in the previous year.

The averages for the two most recent years are based on a constant sample of firms from this year's SME Benchmarking group. The years before will include many of the firms in the latest report but there will be some changes in sample. Note that on Chart 5 and subsequent charts, the latest year is described as 2015/16 which is correct for 55% of the firms but for the other 45% their financial years ended in 2015 (principally November/December 2015).

The average margin for UK firms of over 250 employees fell slightly from 7.7% to 7.4%.



Profit margins were measured after deducting the cost of subcontracted work and outsourcing (together about 18% of total revenue) from both costs and revenues, but leaving in any profit on subcontracted work.

Half of the SMEs are partnerships. To allow comparisons with companies, the partnerships were asked to include in staff costs a "salary" for partners that reflects their age and experience and the wage structure within the firm, but excluding what might be considered as drawings of profit. The median salary for partners was £100,000 compared to £91,000 for directors in SME Benchmarking companies.

Chart 6 shows the range of profit margins for participating SME firms for the report year and the prior year; 95% of firms were profitable in the latest year (84% in the previous year).

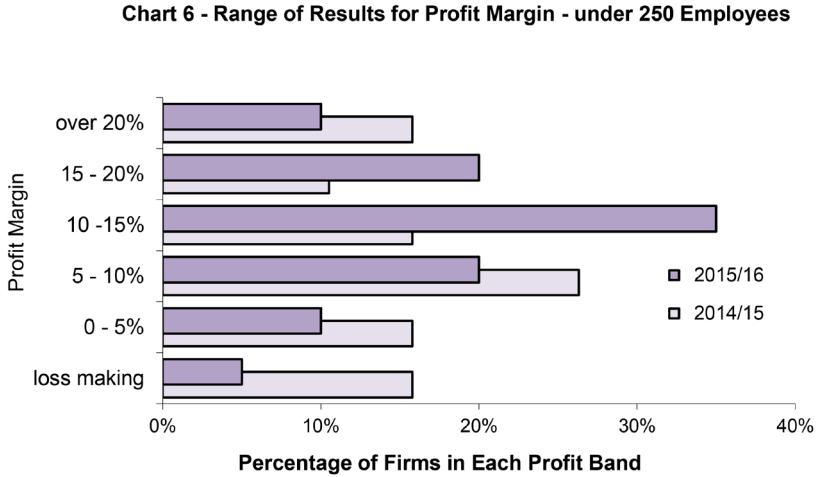


Chart 7a compares each company's profit margin with the growth in net revenue that they achieved during the year. The axes cross at the median value of 12.1% for profit margin 9.8% for growth.

This gives four sectors of either high or low growth combined with high or low profit margin. The most desirable combination is obviously High Growth/High Margin.

There was some indication of a positive relationship between growth and profitability. Six of the seven highest growth rates for revenue had above average profit margin and conversely, all of the firms with low profit margins achieved below average growth. However, the correlation was stronger in Chart 7b, which compares revenue growth with the increase/decrease in profit margin over the previous year. The median change in profit margin was +1.3% points.

Chart 7a Profit Margin & Revenue Growth

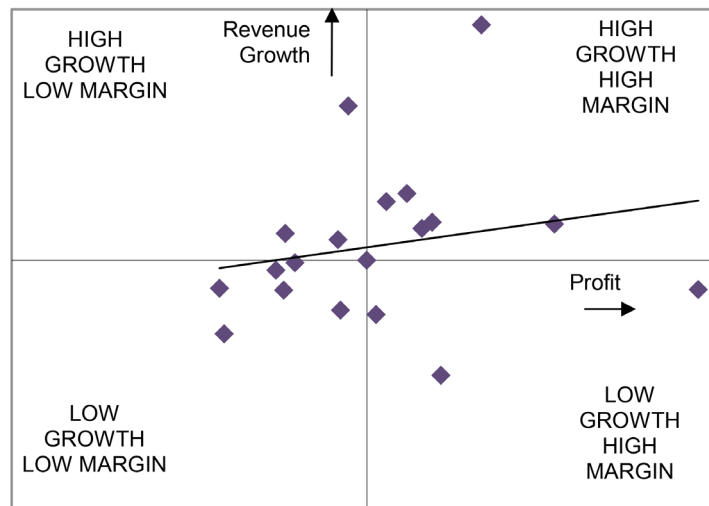
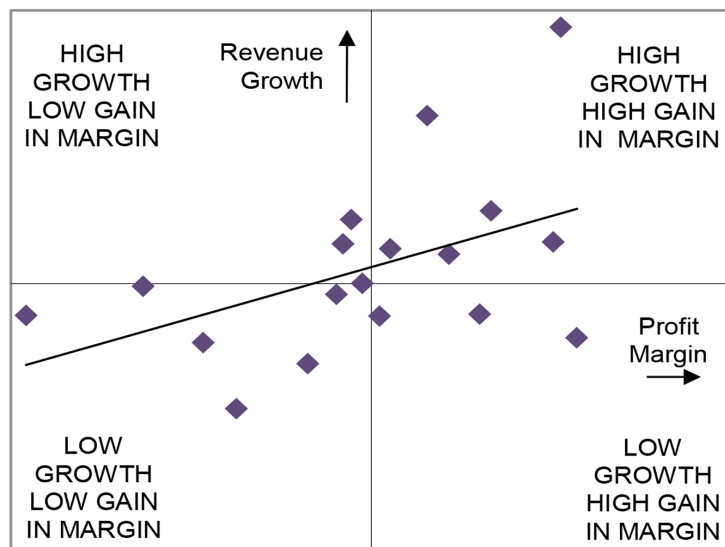


Chart 7b Margin Improvement & Revenue Growth



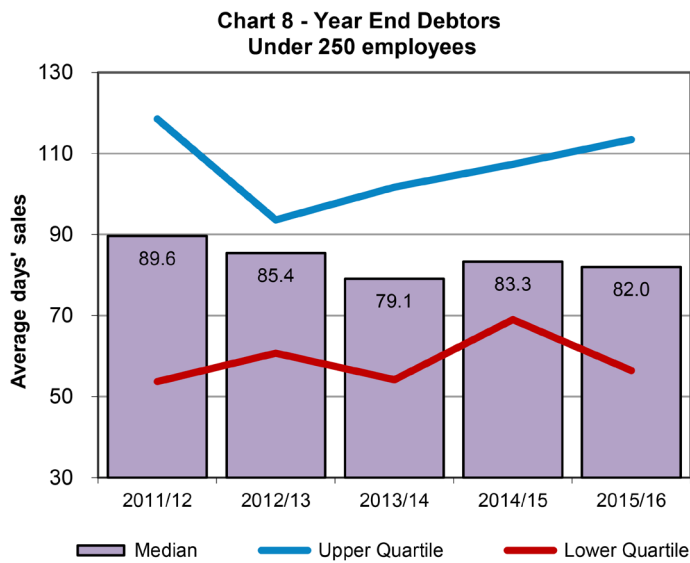
Debtors

Despite the recovery in the economy, and encouraging growth for the firms in the benchmarking project, effective credit control remains a challenge for SMEs. The median collection period was 82 days compared to 83 days in the previous year. However, 5 firms had a level of debtors equivalent to over 120 days' sales.

Whilst it may be difficult to influence the payment terms of larger clients, it does illustrate the importance of active credit control.

The median debt collection period for Larger UK companies was equivalent to 75.5 days' sales in 2015/16, which was slightly higher than the previous year's median of 74.7 days. In the key category of debtors over 90 days old, the average larger firm had 13.9 days' sales.

The SME Benchmarking 'over 90 day' average was equivalent to 25 days' sales, which represents a large increase from 15 days' sales in 2014/15. Differences between the 2015 and 2016 sample of firms partly explain the sharp increase.



Late Payments

Companies taking part in the SME Benchmarking project (up to 250 employees) and UK companies in the Main Benchmarking project were asked to provide information on the subject of Late Payments.

Speed of Payments - Public Sector versus Private Sector

Debtors for the SME benchmarking participants were on average equivalent to 82 days' sales. We asked for a split of debtors and revenue between public and private sector clients. Not all companies were able to provide usable data but from this sample, it appears that private sector clients take 88 days on average to settle payment, which was 9 days longer than the previous year's average. Changes in sample would be part of the reason.

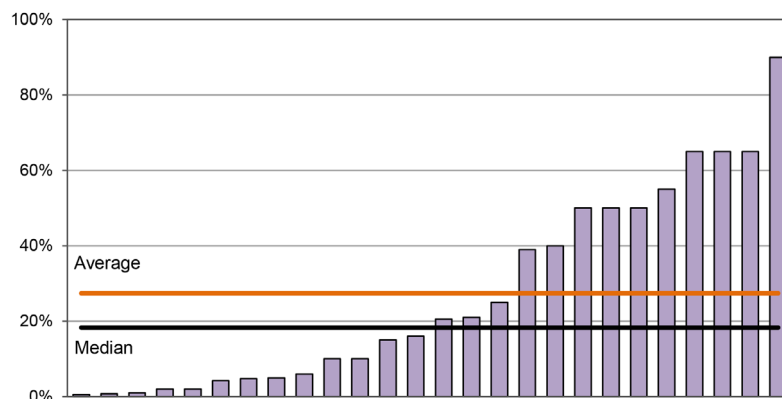
The average payment period for public sector work undertaken by SMEs was 82 days. From this data it appears that the gap in payment periods between private and public sector clients has narrowed from 15 to 6 days. However, taking the data supplied by both SMEs and Larger UK firms together, the payment gap was wider at 16 days.

How widespread is the problem of late payment

We asked 'on what percentage of your turnover did you experience problems getting payment within the contract terms'.

Answers varied widely but averaged 27%, which was an increase from 24% in the previous year, but lower than the 29% of two years ago. 35% of SMEs reported that 50% or more of their revenue was received outside the contract terms, which represented a significant deterioration from 16% in 2014/15.

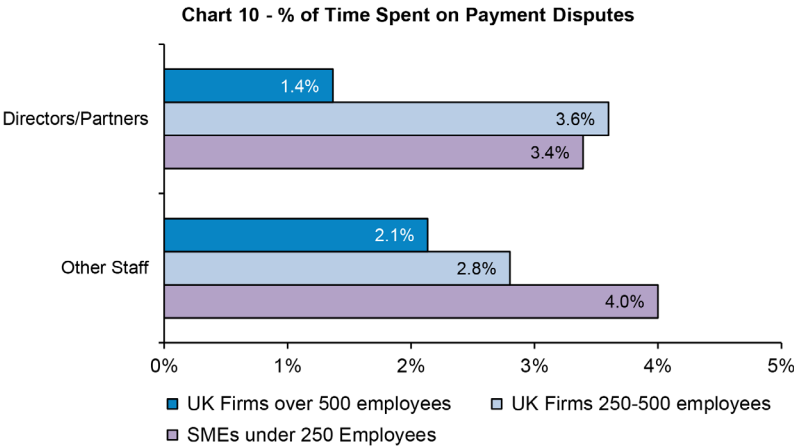
Chart 9 - % of Turnover with problems getting payment within contract terms - Individual Firms' answers



How much time was spent on settling late payment disputes?

We asked how much time Directors or Partners and Senior Professionals spent on settling late payment disputes. Taking the SME Benchmarking and Larger UK Firms together, an average of 2.8% of Directors'/Partners' time was spent on payment disputes. 25% of firms thought that 5-10% of their principals' time was spent on late payment issues. Other staff spent 3.3% of their time on this task.

The largest companies (over 500 employees) would typically have well-staffed credit control departments and therefore, unsurprisingly, Directors/Partners spent less time (1.4% on average) on payment issues.



Recovery Costs

Of the SMEs and Larger UK firms which answered the question on the percentage of payments that incurred recovery and legal costs, 35% reported zero costs. On average, including those reporting zero, 0.7% of payments incurred recovery costs; excluding zeros, the average was 1.0%.

Recovery costs averaged 0.03% of gross revenue for SMEs (0.06% excluding zeros) and 0.06% for Larger UK firms (0.08% ex zeros).

When is action taken?

In answer to the question “How many days after the Contractual Payment Date do you send a Pre-action Letter?”, the most common response, and indeed the median result, was 60 days for most SMEs and Larger UK firms.

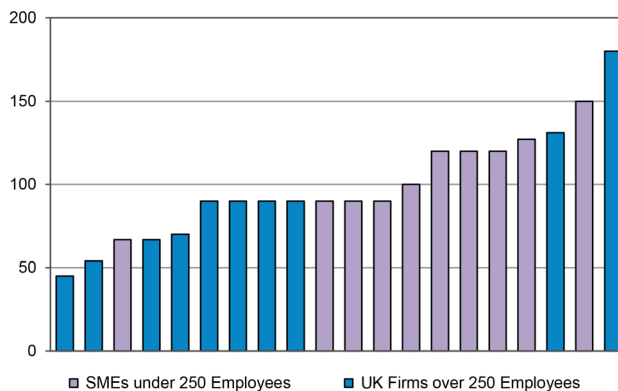
Chart 11 - How Many Days After Contractual Payment Date before Pre-Action Letter



Of the companies which reported on days elapsed before initiating legal action, 40% of respondents wait 60 days or more after the pre-action letter, but the more typical result was only a further 30 days.

The combination of days before and after the pre-action letter produced a median figure of 110 total elapsed days after the due date for the SME firms compared to 90 days for the Larger UK firms that responded to that question.

Chart 12 - How Many Days After Contractual Payment Date before Legal Action



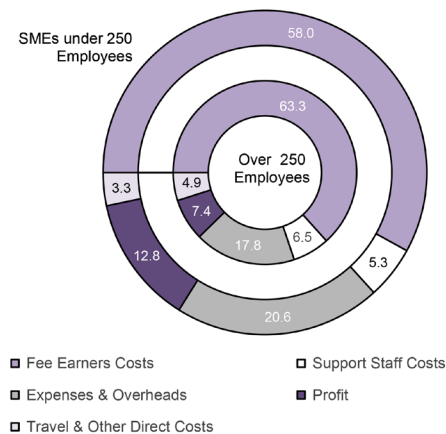
Controlling Costs

Revenue, Costs and Profit

Chart 13 below shows the average breakdown of revenue into the principal cost headings and profit for SME Benchmarking firms, and the corresponding figures for the Larger UK firms that took part in this year's main ACE Benchmarking project.

Comparison of the results suggests that the typical SME firm had lower staff cost ratios than Larger UK firms for both fee earners and support staff. Average overheads for the SMEs were 2.8% points higher than the Larger UK firms but most of the lower staff costs fed straight through into higher profit margins than their larger counterparts.

Chart 13 - Costs & Profit as a % of Revenue



Travel and Other Direct Costs

This cost heading includes travel, hotels and subsistence that have been booked to specific projects as well as car running costs (except where the car is provided largely as a 'perk'). It also includes other expenses such as official fees paid on behalf of the client.

Where these costs are recharged, they have been excluded both from costs and revenue but leaving any mark-up within revenue. Direct costs averaged 3.3%, which was below both the previous year (4.3%) and the 4.9% average of Larger UK firms.

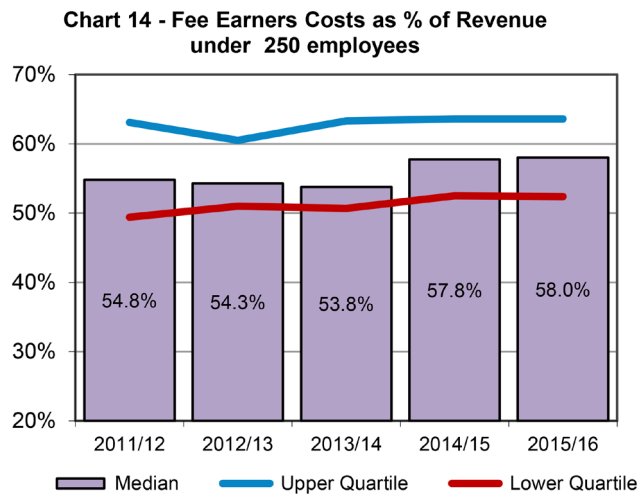
Fee Earners Costs

The employment cost of fee earners averaged 58.0% of revenue. That includes directors and "salaries" for partners (as discussed earlier), as well as all other fee earning staff including contract staff, trainees and temporary fee earners.

The SME average was marginally higher than the previous year (57.8%) for the same group of companies but still significantly better than the average for Larger UK firms (63.3%).

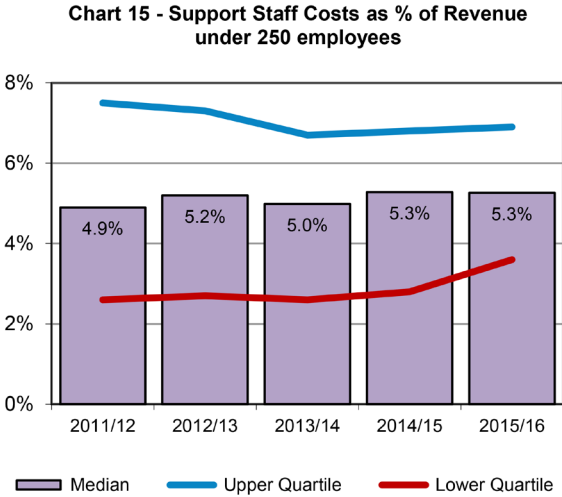
Chart 14 shows fee earners' payroll costs as a % of revenue have risen in the last 2 years as a result of firms taking on more staff.

The ratio of fee earners' costs to revenue depends on how many staff each firm has, the mix of seniority and qualifications, salary levels and, most importantly, the revenue they achieve.



Support Staff Costs

Support staff costs for SME Benchmarking firms averaged 5.3% of revenue, which was unchanged from the previous year and well below the average for Larger UK firms of 6.5%.



Total staff costs (in £s) were on average 13.9% higher than the previous year. This was just ahead of the average growth in revenue, and so produced a small increase in the average cost ratio. Total staff costs averaged 63.3% of net revenue compared to 60.0% in the previous year.

The numbers of firms facing higher and lower staff cost ratios were fairly evenly balanced. Not surprisingly, the firms that achieved lower staff cost ratios were predominantly those that enjoyed above average revenue growth (+18% on average) whilst those facing higher cost ratios only averaged 4% revenue growth.

The 13.9% rise in staff costs was a result of increases in headcount and higher costs per head (up 5.4% from the previous year on a constant sample basis). Total headcount including contract staff increased on average by 11.9% over the course of the latest financial year. Amongst SMEs, 75% increased their headcount, and 25% were unchanged; no participating firms cut back on staff.

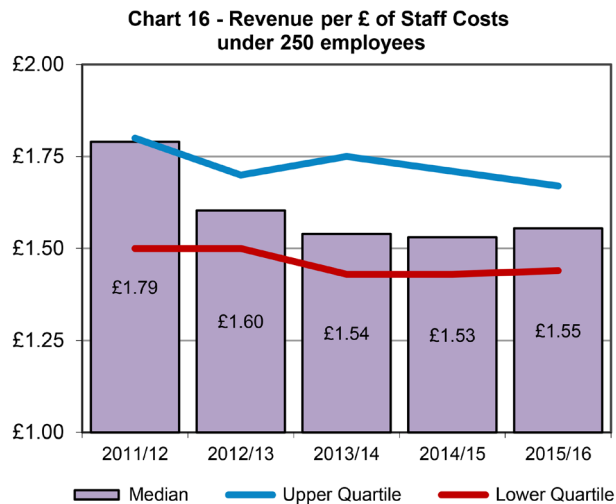
Median support staff payroll costs were £29,600 per head for SMEs. Larger UK firms had higher costs at £38,700 per head but this will include more highly paid staff such as Marketing, IT and HR professionals. Very few SME Benchmarking firms employ these types of specialist and would be more likely to buy in these services where necessary.

Relative salary levels do not explain high or low profitability, but what is clear-cut is that the balance between how much employees are paid and the level of fees generated is a very significant factor in determining profit margin.

The Larger companies generated £1.45 of revenue for every £ of employee costs (or € per € of cost), including salaries for directors and partners, with an upper quartile value of £1.49.

SME Benchmarking firms performed more strongly with 65% of firms beating the Larger firms result of £1.45. The median result for SME firms was £1.55 with an upper quartile of £1.70 per £ of staff cost.

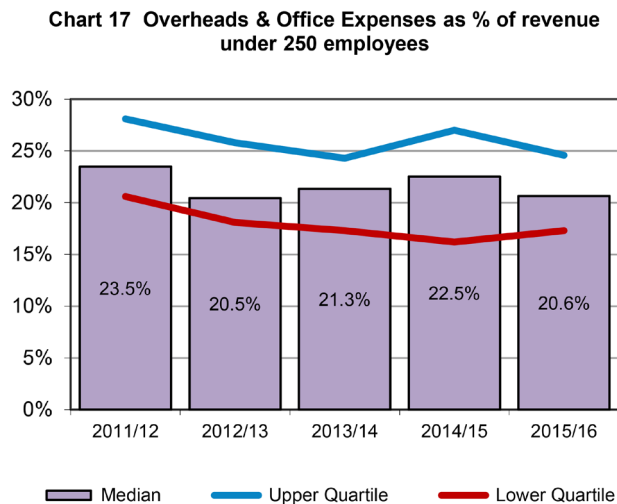
This is a key ratio that correlates more closely with profit margin than almost any other. It is also a measure that remains valid from year to year. As payroll costs increase, it is hoped that revenue will increase at least as fast.



Office Expenses and Overheads

SMEs benefitted from good control of overheads in the latest year. The average increase (in £s) was 6.9%, whilst revenue rose by 11.8%. Consequently, the average cost ratio was 1.9% points lower at 20.6%.

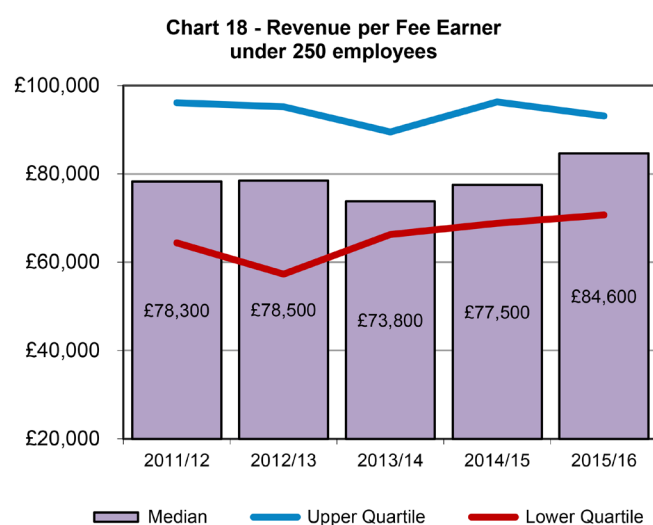
There were some good examples of effective cost control; two-thirds of the SME firms achieved improvements in cost ratios and almost half (47%) did so by more than 2.0% of revenue.



Productivity

Revenue per Fee Earner

Net Revenue (ie excluding subcontracted costs) divided by the number of Fee Earners averaged £84,100 (€116,500) for SME Benchmarking firms. This year's average (in £s) was 9% higher than the previous year, although that was partly influenced by changes in sample; on a constant basis, productivity was 5.5% higher. Fee earners include directors and partners even though they may not be involved full-time on specific project work. At the other end of the scale, trainees are included but not students. Any part-time workers and temporary staff are adjusted to full-time equivalents.



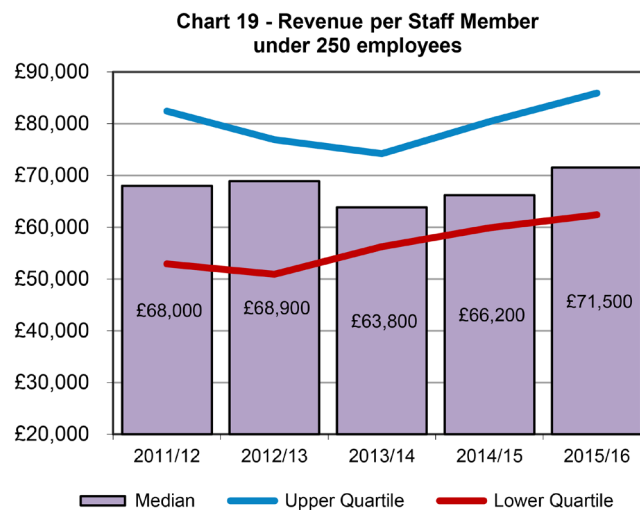
The range of results was quite wide for the SMEs; the top 25% of firms produced revenue per fee earner greater than £94,390 (€130,000) whilst the bottom 25% achieved less than £68,850 (€94,800) per fee earner. Average Revenue per Fee Earner for Larger UK firms was £84,950 (€117,000), which on a constant sample basis was 4.8% higher than the previous year.

TABLE 1 - REVENUE PER FEE EARNER INCLUDING PARTNERS/DIRECTORS			
	Upper Quartile	Average	Lower Quartile
	£	£	£
SMEs under 250 employees	93,050	84,620	70,670
UK Firms over 250 employees	91,920	84,950	76,870

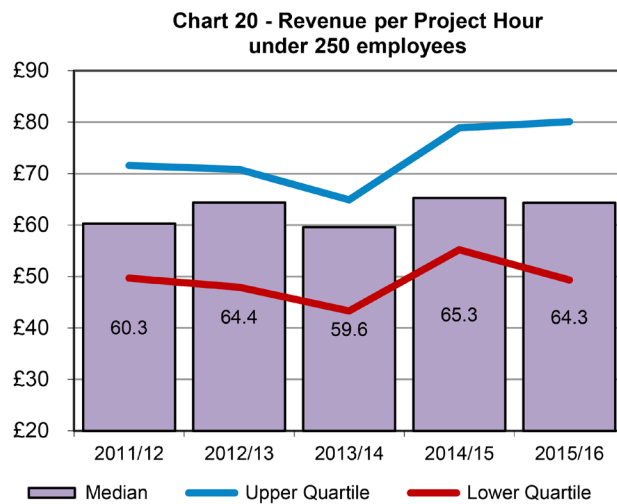
This year's group of SMEs has closed the productivity gap to the Larger UK firms. Average revenue per fee earner for UK companies over 250 employees was only 0.4% higher than the corresponding figure for the SME group. UK firms of over 500 employees were only 2% better than the SME average. Including support staff, revenue per Staff Member averaged £71,500 for SMEs, which was an improvement of 5.2% from the previous year.

TABLE 2 - REVENUE PER STAFF MEMBER INCLUDING PARTNERS/DIRECTORS			
	Upper Quartile	Average	Lower Quartile
	£	£	£
SMEs under 250 employees	85,900	71,500	62,400
UK Firms over 250 employees	79,600	74,275	68,000

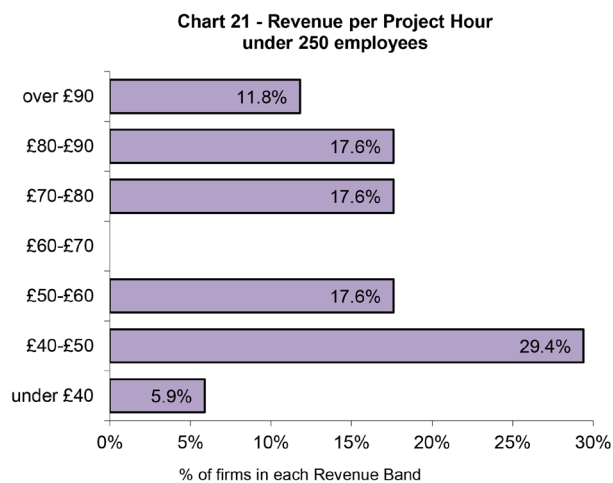
In calculating both Revenue per Fee Earner and per Staff Member we use the full-time equivalent (FTE) number of employees including contract staff. We also estimate an FTE for each firm's expenditure on temporary staff by reference to that company's payroll costs per head for its own staff.



Revenue per Fee Earner is driven by two factors; Revenue per Billed Project Hour and Project Hours per Fee Earner. Revenue per billed project hour is the total fees earned (whether fixed fee or hourly charged) divided by total project hours worked.



Revenue per Billed Project Hour ranged widely; 76% of the individual results fell within a range of £45-£90 per project hour with an average of £64.3 (£102.3) per hour. Chart 21 shows the proportion of firms that are achieving revenue per hour in the different bands. For example, almost 30% of SMEs generated over £80 (£110) of revenue for every project hour worked. The average result for Larger UK companies was £65.4 (£90.0) per hour.



The link between Revenue per Fee Earner and Revenue per Project Hour is the number of Billed Project Hours per Fee Earner. The SME average of 1,316 billed hours per fee earner per year was slightly lower than the previous year (1,338 hours) and 3% below the average for Larger UK firms of 1,354 hours. The slight drop in utilisation this year could be due to the significant increase in staff numbers and the time taken for new staff to get fully up to speed.

We make a distinction between ‘billed’ and ‘unbilled’ project hours. ‘Unbilled’ hours are intended as a measure of project time for which in effect, the client does not pay you. This could cover time spent in excess of budget on fixed fee contracts or in the case of hourly/daily paid work, time that you feel, for whatever reason, unable to bill to the client.

Not all firms measure ‘unbilled hours’ but of those that provided a figure, it was equivalent to 185 hours per fee earner per year or 9.4% of hours worked. The average for Larger UK firms was only 43 hours. It may be that smaller firms find it more difficult to bill clients for the full value of the work done.

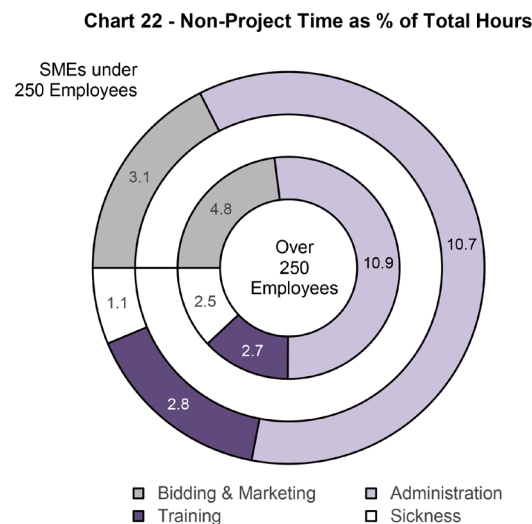
Utilisation of Fee Earners' Time

In this project, utilisation of staff time (project hours, time spent on bidding and marketing, training etc.) is measured against Total Paid Hours. This is defined as contractual hours, less holidays and Bank Holidays, plus any paid overtime.

For example, if the basic working week is 37 hours, and after deducting holidays and bank holidays an employee works for 46 weeks a year, then paid hours would be just over 1,700 hours a year. If the average employee works paid overtime of 2 hours a week (say 100 hours a year) then Total Paid Hours would be 1,800. However, if the 100 hours overtime are unpaid, then Total Paid Hours would remain at 1,700. The actual average this year was 1,757 paid hours per fee earner, which was very close to the average of 1,744 paid hours for Larger UK firms.

On this basis, total project time was equivalent to 84.1% of Paid Hours for SMEs, which was well above the average of 80.3% for Larger UK firms. However, that is based on total hours including unbilled projects hours. Billed project hours averaged 74.7% for SME Benchmarking, which was 3% points below the 77.8% average for Larger firms. In summary, SME firms spend more of their time working for their clients, but are less successful at ensuring that time is fully billed.

In total, SME Benchmarking fee earners spent 15.9% of paid time on other activities than project work; the equivalent figure for Larger UK firms was 19.7%. Note that where total time exceeds 100% of paid hours, the balance is made up by unpaid overtime. How the non-project time was spent between Marketing, Administration, Training and Sickness is shown on Chart 22. SME Benchmarking firms spent slightly less time on bidding and marketing than Larger firms. Absenteeism rates were lower for SMEs than Larger firms.



Time spent on staff training was equivalent to 2.8 % of total hours, which was similar to the average of 2.7% for Larger UK firms. Expenditure on training was 0.62% of revenue or £510 (€700) per employee, which was a 9% increase from £470 per employee in the previous year.

Time lost through absenteeism increased for Larger UK firms from 1.6% to 2.5%. The SME average was almost unchanged at 1.1% from the previous year.

Staffing

Staff Turnover

The revenue productivity ratios discussed in the previous section are measured against the average number of full-time equivalent employees for each firm during the course of their financial year.

We also ask each firm for their headcount at the beginning and end of each financial year. 75% took on extra staff in 2015/16, while 25% were unchanged; none reduced their headcount. The simple average increase was 11.9%, the weighted average rise was 15.8%.

All but two of the Larger UK companies increased headcount during the year; the weighted average increase was 6.1%.

Salary Levels

The average payroll cost per employee (including National Insurance, pensions etc.) for SMEs increased by 5.4% to £44,200 (€60,900) compared to £50,900 (€70,100) for Larger UK firms. The average cost for fee earners excluding partners, directors and department heads was 2.7% higher at £37,800.

65% of SMEs paid a bonus to employees in the year under review with an average value (excluding any payments to directors or partners) of £1,365 per employee, which was 60% higher than the previous year on a constant sample basis.

TABLE 3 - 2014/15 AVERAGE PAYROLL COST PER EMPLOYEE FOR SMEs WITH UNDER 250 EMPLOYEES		
	£	€
Equity Partners	100,000	137,700
Salaried Partners	90,750	125,000
Other Directors	76,600	105,500
Senior Professionals	55,000	75,800
Engineers	37,950	52,300
Senior Technicians	33,500	46,100
Junior & Graduate Engineers	25,700	35,450
Technicians & Trainees	17,600	24,300
Other Fee Earners	23,100	31,900
Average - All Fee Earners	47,500	65,400
Support Staff	29,600	40,800
Average - All Employees	45,300	62,400

Winning Work

Marketing and Work Won

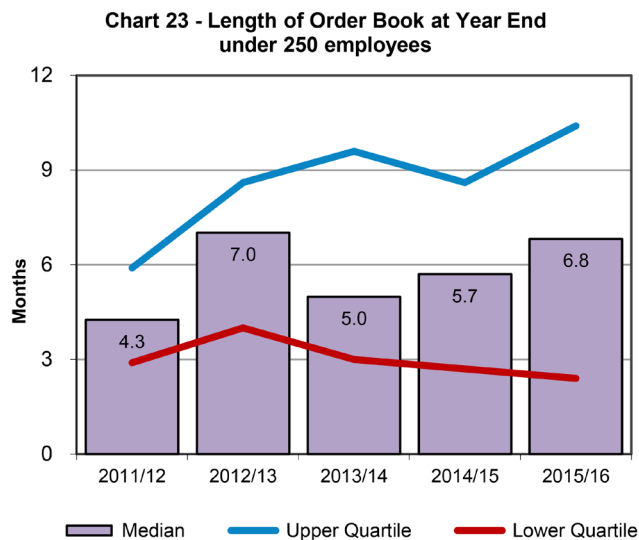
Including the cost of staff time, the median investment in marketing was 2.3% of revenue for SMEs and 4.3% for Larger UK firms.

The median success rate for competitive tendering for SME firms was 67% by the number of bids, compared to 65% in the previous year. The previous year had shown a big increase compared to 48% two years ago. We speculated last year that as revenue growth had been stronger, firms had been concentrating on bids with a higher likelihood of success. It is encouraging that the improvement has been maintained in the latest year.

The success rate for Larger companies dropped back by 7% points to 49%, surrendering most of the 9% point improvement seen in last year's report.

Order Book

The strong growth in revenue in the latest year has also had an impact on order books with a median 20% rise between the year end of the previous year and the latest financial year. The median for SMEs was equivalent to 6.8 months' work compared to 5.7 months last year, for the same group of firms. The average order book for Larger UK firms also reported an increase from 11.9 to 14.1 months' work.



The Firms Taking Part

The financial years covered by the group were fairly evenly split, with 55% having year-ends in the first half of 2015 (most commonly March), with 45% having 2015 year-ends (principally November or December) The average year-end was January 2016.

Type of Work

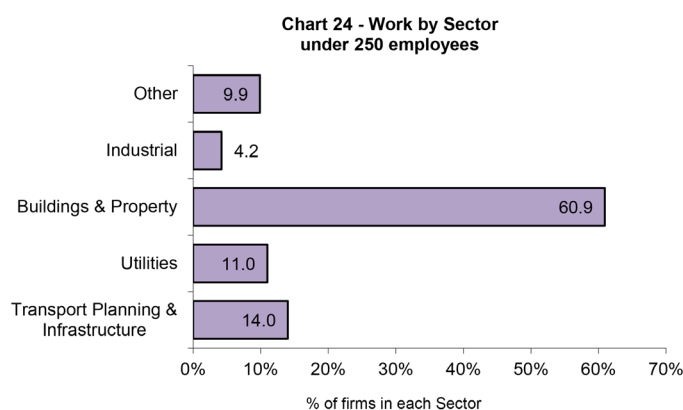
Total gross revenue for the SME group was £120m (average £6.0m). The overall analysis of revenue by type of service that participants provide is shown in Table 4 below. 35% of firms generated more than half of their revenue from Structural Engineering, 15% were predominantly Civil Engineers, 15% specialised in Mechanical & Electrical Engineering and 10% gained most of their revenue from Consultancy Services.

Within SME Benchmarking, Engineering Services provided a higher proportion of total revenue (86.1%) than the Larger UK firms (49.6%); that derived a much greater proportion of their fees from Consultancy.

TABLE 4 - SOURCES OF REVENUE		
	SMEs up to 250 employees	UK Firms over 250 employees
Structural Engineering	34.7	11.0
Civil Engineering	25.9	19.7
Mechanical & Electrical	17.5	13.7
Other Engineering	8.1	5.1
Total Engineering	86.1	49.6
Total Consultancy Services	12.2	48.1
Other Services	1.7	2.3
Total Professional Fees	100.0	100.0

Sector Analysis

Chart 24 analyses total revenue for the SME group by the sector in which clients are working. 65% generated at least half of their revenue from Buildings/Property which includes Housing, Commercial Property, Education, Health, Defence and Leisure.



RESULTS TABLES

– LARGE COMPANIES

Summary Ratios

TABLE 1 MAJOR COSTS AND PROFIT ANALYSIS		UK GROUP 1 OVER 500 EMPLOYEES				UK GROUP 2 250 - 500 EMPLOYEES				ALL UK FIRMS OVER 250 EMPLOYEES				EUROPEAN FIRMS				ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
		Upper Quartile	Average	Lower Quartile	%	Upper Quartile	Average	Lower Quartile	%	Upper Quartile	Average	Lower Quartile	%	Upper Quartile	Average	Lower Quartile	%	Upper Quartile	Average	Lower Quartile	%
Overall Profitability																					
1	Profit as a % of Net Revenue	11.5	6.9	4.8	%	11.7	8.5	5.9	%	11.2	7.4	5.0	%	10.1	8.4	6.0	%	11.0	7.9	5.2	%
2	Profit per Fee Earner	10,760	5,150	4,550	£	10,030	7,250	4,780	£	10,270	6,200	4,430	£	7,240	5,080	3,580	£	10,090	5,660	4,290	£
2	Profit per Fee Earner	14,820	7,090	6,260	€	13,820	9,990	6,580	€	14,150	8,540	6,100	€	9,970	7,000	4,930	€	13,900	7,800	5,920	€
3	Net Revenue per Fee Earner	99,260	86,410	75,190	£	88,850	81,740	78,630	£	91,920	84,950	76,870	£	82,780	77,700	69,740	£	89,270	81,450	71,270	£
3	Net Revenue per Fee Earner	136,720	119,020	103,570	€	122,380	112,590	108,300	€	126,600	117,010	105,900	€	114,020	107,030	96,050	€	122,960	112,190	98,170	€
4	Increase/Decrease in Revenue from the Previous Year	21.8	13.3	8.5	%	20.9	8.0	3.0	%	22.4	11.6	6.9	%	14.8	6.3	3.0	%	19.2	9.1	3.3	%
Principal Costs as % of Net Revenue																					
5	Gross Revenue	124.9	119.5	113.0	%	120.7	115.8	110.5	%	125.8	118.3	113.3	%	135.4	139.5	113.1	%	130.1	128.7	113.1	%
6a	less Sub Contract/Domestic Outsourcing / Design & Build Costs/Disbursements	(24.4)	(18.2)	(11.6)	%	(20.7)	(15.5)	(10.5)	%	(25.8)	(17.4)	(11.8)	%	(32.1)	(34.5)	(12.5)	%	(26.5)	(21.9)	(11.4)	%
6b	less Overseas Outsourcing	(0.9)	(1.3)	-	%	(0.2)	(0.3)	-	%	(0.6)	(1.0)	-	%	(0.7)	(5.0)	-	%	(0.7)	(2.8)	-	%
7	Net Revenue	100.0	100.0	100.0	%	100.0	100.0	100.0	%	100.0	100.0	100.0	%	100.0	100.0	100.0	%	100.0	100.0	100.0	%
8	Travel & Subsistence	2.9	2.0	1.3	%	3.0	2.4	1.4	%	2.8	2.1	1.4	%	3.5	2.5	0.7	%	2.9	2.3	1.1	%
9	Other Project Direct Costs	5.6	3.7	0.9	%	1.5	0.9	-	%	2.8	2.8	0.2	%	7.5	3.6	-	%	5.3	3.2	-	%
10	Fee Earners Staff Costs (including temporary staff costs)	68.7	64.0	59.7	%	63.6	61.8	60.1	%	67.8	63.3	59.6	%	66.8	60.3	55.5	%	67.3	61.9	57.9	%
11	Support Staff Costs (including temporary staff costs)	7.5	6.5	4.5	%	7.4	6.5	5.7	%	7.5	6.5	4.6	%	6.7	5.9	5.3	%	7.4	6.2	5.2	%
12	Gross Margin	26.9	23.8	21.8	%	30.3	28.4	26.1	%	28.5	25.2	23.3	%	33.9	27.7	22.7	%	31.4	26.4	23.1	%
13	Overheads & Office Expenses	19.5	16.9	13.8	%	22.8	19.9	16.8	%	22.4	17.8	15.2	%	21.1	19.3	14.7	%	22.2	18.5	14.7	%
1	Profit Margin (before Tax, Exceptionals & Goodwill Write-Off)	11.5	6.9	4.8	%	11.7	8.5	5.9	%	11.2	7.4	5.0	%	10.1	8.4	6.0	%	11.0	7.9	5.2	%
1b	Profit Margin - Prior Year	11.6	7.1	3.4	%	11.8	9.2	7.3	%	12.4	7.7	5.1	%	12.8	9.8	5.4	%	12.7	8.7	5.2	%

Fee Earners & Support Staff Costs

TABLE 2		UK GROUP 1 over 500 EMPLOYEES					UK GROUP 2 250 - 500 EMPLOYEES					ALL UK FIRMS over 250 EMPLOYEES					EUROPEAN FIRMS					ALL FIRMS WHO TOOK PART IN THE INITIATIVE					
		Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	
Fee Earners Staff Costs as a % of Net Revenue																											
14	a)	Partners, Directors & Department Heads	%	11.5	9.4	4.4	18.0	13.5	10.3	15.9	10.7	5.9	7.4	6.3	2.1	10.8	8.6	4.5									
	b)	Senior Professional Staff	%	31.0	27.5	19.2	31.3	24.9	19.6	32.8	26.7	18.2	24.4	19.5	12.3	30.5	23.2	14.5									
	c)	Engineers	%	14.2	11.8	7.7	14.8	12.4	8.8	14.5	12.0	7.6	22.9	17.3	11.2	17.4	14.6	8.2									
	d)	Senior Technicians	%	6.3	4.2	1.0	4.7	4.3	2.1	6.7	4.3	2.1	6.3	5.0	3.4	6.6	4.6	2.3									
	e)	Junior & Graduate Engineers	%	7.8	5.8	3.1	4.7	3.8	2.8	7.3	5.2	2.7	9.7	6.5	1.5	7.7	5.8	2.3									
	f)	Technicians & Trainees	%	3.0	2.1	1.0	2.4	1.7	0.9	2.9	2.0	0.8	2.7	3.0	1.3	2.9	2.5	1.0									
	g)	Other Fee Earners	%	-	0.4	-	-	0.0	-	-	0.3	-	3.4	1.9	-	2.4	1.1	-									
	h)	Temporary Fee Earners	%	5.4	2.8	-	1.1	1.2	-	4.7	2.3	-	0.5	0.7	-	1.9	1.5	-									
		Total Fee Earners Staff Costs (Ratio 10, Table 1)	%	68.7	64.0	59.7	63.6	61.8	60.1	67.8	63.3	59.6	66.8	60.3	55.5	67.3	61.9	57.9									
Support Staff Costs as a % of Net Revenue																											
15	a)	Finance & Accounts Staff	%	1.70	1.36	1.30	1.40	1.15	0.90	1.60	1.30	0.90	2.10	1.53	1.00	1.80	1.41	0.90									
	b)	Marketing Staff	%	1.00	0.78	0.40	1.30	1.05	0.70	1.30	0.87	0.50	0.70	0.53	-	1.20	0.70	0.30									
	c)	IT Staff	%	1.10	0.88	0.80	0.90	0.66	0.50	1.00	0.81	0.50	1.00	0.64	0.20	1.00	0.73	0.40									
	d)	HR Staff	%	0.90	0.69	0.50	0.80	0.58	0.40	0.90	0.66	0.40	0.70	0.47	0.20	0.80	0.57	0.40									
	e)	Quality & H&S Staff	%	0.40	0.30	0.20	0.30	0.19	0.10	0.30	0.26	0.20	0.40	0.21	-	0.30	0.24	-									
	f)	General Admin & Other Support Staff	%	3.10	2.39	1.30	3.10	2.85	2.30	3.10	2.53	1.50	2.60	2.44	1.00	3.10	2.49	1.10									
	g)	Temporary Support Staff	%	0.10	0.11	-	-	0.02	-	0.10	0.08	-	0.20	0.13	-	0.10	0.11	-									
		Total Support Staff Costs (Ratio 11, Table 1)	%	7.50	6.51	4.50	7.40	6.50	5.70	7.50	6.51	4.60	6.70	5.95	5.30	7.40	6.24	4.80									
16		Bonuses (contractual or discretionary) as a % of Total Staff Costs	%	2.2	2.0	0.3	2.9	2.8	2.1	2.7	2.3	0.4	2.0	1.2	-	2.7	1.7	-									
17	a)	Contract Fee Earners as a % of Total Fee Earners	%	12.0	11.0	7.9	7.2	5.1	-	11.3	9.1	2.2	1.9	2.3	-	8.7	5.8	-									
	b)	Contract Support Staff as a % of Total Support Staff	%	6.3	4.4	1.3	2.4	3.3	-	8.3	4.0	2.4	-	1.2	-	8.7	2.7	2.7									

Staff Structure

TABLE 3 STAFF STRUCTURE		UK GROUP 1 OVER 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			ALL UK FIRMS OVER 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
		Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	
18	a) Partners, Directors & Department Heads	%	10.2	6.6	2.5	13.5	9.8	6.6	11.0	7.6	3.9	6.8	5.2	1.2	10.5	6.5	2.9
	b) Senior Professional Staff	%	34.6	28.5	20.0	35.7	30.4	25.6	35.7	29.1	20.4	32.1	23.8	15.1	35.7	26.5	16.0
	c) Engineers	%	27.3	26.1	15.0	26.1	22.1	15.1	27.1	24.9	13.7	35.0	26.1	18.3	30.5	25.5	15.2
	d) Senior Technicians	%	9.5	7.4	2.5	8.6	7.1	4.3	10.9	7.3	4.3	13.4	8.8	6.1	12.4	8.0	4.5
	e) Junior & Graduate Engineers	%	17.2	12.7	8.5	12.9	10.1	8.3	15.9	11.9	7.6	21.4	13.2	2.1	16.9	12.5	5.6
	f) Technicians & Trainees	%	9.4	6.3	2.5	9.3	6.3	3.9	9.3	6.3	3.0	10.3	8.0	3.7	9.6	7.1	3.3
	g) Other Fee Earners	%	-	0.4	-	-	0.0	-	-	0.3	-	6.3	5.8	-	2.1	3.0	-
	h) Total Fee Earners	%	90.7	88.1	85.8	87.4	85.8	84.6	90.4	87.4	84.9	91.8	90.9	88.2	91.6	89.1	86.9
	i) Finance & Accounts Staff	%	2.7	2.3	1.9	3.2	2.4	1.7	2.8	2.4	1.5	2.9	2.6	1.3	2.8	2.5	1.4
	j) Marketing Staff	%	1.4	1.1	0.5	2.4	1.6	0.9	2.2	1.3	0.7	0.9	0.9	-	1.8	1.1	0.4
	k) IT Staff	%	1.8	1.3	0.4	1.6	1.2	1.1	1.7	1.3	0.6	1.5	1.1	-	1.6	1.2	-
	l) HR Staff	%	1.2	1.0	0.7	1.3	1.1	0.7	1.3	1.1	0.6	1.2	0.8	-	1.3	0.9	0.3
	m) Quality & H&S Staff	%	0.4	0.4	0.3	0.4	0.3	0.2	0.4	0.4	0.2	0.3	0.3	-	0.4	0.3	-
	n) General Administration & Other Support Staff	%	6.6	5.7	3.3	8.4	7.5	5.9	7.0	6.3	3.9	6.1	3.4	2.1	6.5	4.9	2.8
	o) Total Support Staff	%	14.2	11.9	9.3	15.4	14.2	12.6	15.1	12.6	9.7	11.8	9.1	8.2	13.1	10.9	8.5
	p) Total Staff	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Staff per Partner/ Director/Department Head																	
19	a) Senior Professional Staff	no.	10.1	6.5	2.7	5.9	3.0	1.9	8.4	5.4	1.9	13.2	2.9	3.4	15.5	4.2	1.6
	b) Engineers	no.	9.8	5.4	2.4	3.7	2.2	1.5	7.8	4.4	1.5	13.7	4.9	2.9	13.3	4.6	1.7
	c) Senior Technicians	no.	2.6	1.3	0.4	1.1	0.5	0.4	2.4	1.1	0.4	7.8	1.3	0.7	10.7	1.2	0.5
	d) Junior & Graduate Engineers	no.	4.6	3.1	0.9	1.4	1.0	0.7	4.1	2.4	0.8	6.8	1.3	0.4	6.3	1.9	0.8
	e) Technicians & Trainees	no.	2.0	1.7	0.4	0.9	0.7	0.5	1.9	1.4	0.5	3.4	1.6	1.0	4.7	1.5	0.4
	f) Other Fee Earners	no.	-	0.2	-	-	-	-	-	0.1	-	1.3	1.0	-	1.1	0.6	-
	g) Total Fee Earners	no.	37.5	18.2	7.9	8.9	6.6	5.0	20.3	14.6	7.1	81.4	12.9	13.3	76.7	13.8	6.8
	h) Total Support Staff	no.	3.9	2.6	1.2	1.7	1.2	1.2	3.6	2.2	1.2	2.9	1.6	1.1	4.1	1.9	1.2
	i) Total staff per Partner/ Director/Dept. Head	no.	41.7	20.8	8.9	10.6	7.9	5.4	24.7	16.8	8.1	87.4	14.5	14.6	80.1	15.7	8.0
	j) Number of Support Staff per Fee Earner	no.	0.20	0.13	0.10	0.20	0.16	0.10	0.20	0.14	0.10	0.10	0.11	0.10	0.20	0.13	0.10

Staff Costs per Head

TABLE 4 - STERLING		UK GROUP 1 OVER 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			ALL UK FIRMS OVER 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
		Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	
Staff Cost per Head (including bonus, employer NI & pension contribution)																	
20	a)	£	136,600	102,800	95,500	98,900	86,700	84,200	135,000	99,900	86,400	97,600	88,800	75,700	117,400	94,400	84,500
	b)	£	77,600	70,000	57,800	63,600	61,300	56,800	73,800	63,600	56,200	73,700	63,500	54,700	73,800	63,600	55,600
	c)	£	44,800	40,100	33,900	44,300	38,900	38,300	44,600	39,500	35,800	52,500	43,100	38,600	47,100	41,000	38,100
	d)	£	48,300	39,700	34,900	40,500	39,000	34,300	46,900	39,500	34,100	50,400	44,400	34,500	48,300	40,200	34,300
	e)	£	29,300	27,500	26,000	27,900	26,300	25,000	29,100	27,000	25,800	40,000	37,200	25,100	38,700	31,500	25,700
	f)	£	24,200	17,200	16,500	20,300	19,200	17,000	23,300	17,800	16,600	28,300	24,000	17,000	25,700	20,300	16,800
	g)	£	-	60,700	-	-	25,100	-	61,600	49,600	24,200	46,000	40,400	37,000	46,900	45,600	25,100
	h)	£	61,200	53,500	51,000	53,600	50,500	49,700	55,700	53,000	49,800	54,500	45,400	38,700	54,600	51,300	43,300
	i)	£	56,800	50,900	44,400	46,900	44,500	44,400	51,400	46,900	44,400	51,600	43,100	37,000	51,400	46,000	38,600
	j)	£	51,200	44,600	40,200	42,800	40,200	31,400	49,900	42,800	35,100	54,100	50,100	45,700	51,400	46,100	40,000
	k)	£	65,900	55,200	49,200	61,100	49,000	43,100	67,900	52,200	43,400	57,200	53,100	38,700	64,400	52,200	40,600
	l)	£	60,300	51,000	44,500	44,300	37,800	35,500	55,900	43,100	38,500	56,700	44,900	43,400	56,700	44,900	39,200
	m)	£	60,800	56,100	48,800	45,400	39,100	34,900	58,600	47,600	38,700	57,000	50,200	41,100	57,500	48,900	39,100
	n)	£	63,300	56,000	47,300	46,300	43,100	41,100	56,200	47,300	42,100	71,200	55,600	53,000	58,100	53,800	46,300
	o)	£	44,100	39,700	33,600	32,700	25,800	24,900	39,900	33,400	25,600	45,900	33,600	29,200	39,900	33,600	26,100
	p)	£	48,300	41,400	38,700	37,900	33,500	32,200	44,600	38,700	33,500	54,800	43,000	37,500	48,000	41,100	33,500
	q)	£	59,000	52,200	48,600	51,600	48,300	47,000	55,000	50,900	47,300	54,200	45,900	38,200	54,600	49,100	44,100
	r)	£	1,580	840	250	1,520	1,350	1,090	1,550	1,000	370	2,070	1,630	1,320	1,690	1,300	500
Employee Benefits per Head																	
21	s)	£	380	220	120	400	360	300	400	260	160	270	160	30	390	200	120
	t)	£	3,130	2,420	2,170	2,630	1,720	1,530	3,060	2,200	1,630	3,800	2,070	890	3,160	2,250	1,480

Staff Costs per Head

TABLE 4 - EURO		UK GROUP 1 OVER 500 EMPLOYEES				UK GROUP 2 UP TO 500 EMPLOYEES				UK FIRMS OF ALL SIZES				EUROPEAN FIRMS				ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
		Upper Quartile	Median	Lower Quartile	Upper Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Upper Quartile	Median	Lower Quartile	
Staff Cost per Head (including bonus, employer NI & pension contribution)																					
20	a)	€	188,100	141,600	131,600	136,200	119,400	115,900	185,900	137,600	119,000	134,500	122,400	104,300	161,600	130,000	116,300				
	b)	€	106,900	96,400	79,700	87,600	84,500	78,200	101,700	87,600	77,500	101,500	87,500	75,400	101,700	87,600	76,600				
	c)	€	61,800	55,300	46,700	61,100	53,600	52,700	61,400	54,500	49,300	72,300	59,400	53,300	64,900	56,500	52,500				
	d)	€	66,500	54,700	48,000	55,800	53,700	47,300	64,600	54,400	46,900	69,400	61,200	47,500	66,500	55,400	47,300				
	e)	€	40,400	37,800	35,900	38,300	36,200	34,400	40,100	37,100	35,500	55,100	51,300	34,600	53,300	44,000	35,400				
	f)	€	33,300	23,700	22,700	27,900	26,500	23,500	32,000	24,600	22,800	39,000	33,100	23,400	35,400	27,900	23,200				
	g)	€	-	83,600	-	-	34,500	-	84,800	68,300	33,300	63,200	55,600	51,000	64,500	62,200	34,500				
	h)	€	84,300	73,700	70,300	73,900	69,600	68,500	76,800	73,000	68,700	75,100	62,500	53,300	75,200	70,700	59,600				
	i)	€	78,300	70,100	61,200	64,600	61,300	61,200	70,700	64,600	61,200	71,100	59,400	51,000	70,700	63,400	53,200				
	j)	€	70,500	61,400	55,300	58,900	55,300	43,300	68,800	59,900	48,300	74,500	69,000	62,900	70,800	63,500	55,000				
	k)	€	90,800	76,100	67,800	84,200	67,500	59,400	93,500	71,900	59,800	78,800	73,100	53,300	88,700	71,900	56,000				
	l)	€	83,200	70,300	61,400	61,100	52,000	48,800	77,100	59,300	53,000	78,100	61,900	59,700	78,100	61,900	54,000				
	m)	€	83,700	77,200	67,200	62,600	53,900	48,100	80,600	65,600	53,300	78,500	69,200	56,600	79,200	67,400	53,800				
	n)	€	87,100	77,200	65,200	63,700	59,300	56,500	77,400	65,200	58,000	98,000	76,500	73,000	80,000	74,100	63,700				
	o)	€	60,700	54,700	46,200	45,000	35,500	34,300	55,000	46,000	35,300	63,100	46,300	40,200	55,000	46,200	35,900				
	p)	€	66,500	57,100	53,200	52,100	46,200	44,300	61,400	53,200	46,100	75,500	59,300	51,700	66,100	56,600	46,200				
	q)	€	81,200	72,000	66,900	71,100	66,500	64,700	75,800	70,100	65,100	74,700	63,200	52,600	75,200	67,600	60,700				
	r)	€	2,180	1,160	350	2,100	1,860	1,510	2,140	1,400	520	2,850	2,250	1,820	2,330	1,800	690				
Employee Benefits per Head																					
21	s)	€	530	300	170	550	500	420	550	360	220	380	220	40	540	300	170				
	t)	€	4,310	3,340	2,990	3,630	2,370	2,110	4,220	3,040	2,250	5,230	2,860	1,200	4,360	3,100	2,040				

Operating Expenses as a % of Net Revenue

TABLE 5	UK GROUP 1 OVER 500 EMPLOYEES						UK GROUP 2 250 - 500 EMPLOYEES			ALL UK FIRMS OVER 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	
22	Overhead & Office Expenses as % of Net Revenue																		
a)	%	6.30	5.16	3.40	6.10	5.41	4.60	6.70	5.24	3.50	7.50	5.22	3.90	7.00	5.23	3.70			
b)	%	3.30	2.60	1.90	4.60	3.54	2.70	3.70	2.90	2.10	2.90	1.70	0.20	3.20	2.32	1.20			
c)	%	0.90	0.40	-	0.80	0.53	0.00	0.90	0.44	-	0.40	0.25	-	0.80	0.35	-			
d)	%	0.60	0.47	0.30	0.80	0.75	0.60	0.70	0.56	0.30	1.30	0.80	0.10	0.90	0.68	0.30			
e)	%	1.50	1.17	0.70	1.80	1.59	1.30	1.70	1.30	1.00	1.20	0.81	0.10	1.60	1.06	0.40			
f)	%	1.60	1.05	0.50	1.00	0.78	0.40	1.50	0.97	0.40	1.10	0.86	0.20	1.40	0.92	0.30			
g)	%	0.70	0.53	0.40	1.00	0.84	0.50	0.80	0.63	0.40	0.20	0.18	0.00	0.70	0.41	0.10			
h)	%	0.70	0.53	0.40	0.90	0.79	0.50	0.80	0.61	0.50	0.50	0.30	0.00	0.60	0.46	0.10			
i)	%	1.80	1.29	0.80	1.30	1.07	0.90	1.70	1.22	1.00	1.60	1.00	0.00	1.70	1.11	0.20			
j)	%	0.40	0.33	0.00	0.60	0.69	0.10	0.40	0.44	0.00	0.30	0.44	0.00	0.40	0.44	0.00			
k)	%	5.00	2.44	1.10	4.10	2.77	1.00	4.90	2.55	0.70	4.90	4.16	1.10	4.90	3.33	0.70			
l)	%	0.30	0.16	0.00	0.50	0.30	0.00	0.40	0.20	0.00	0.20	0.23	0.00	0.40	0.22	0.00			
m)	%	1.30	0.77	0.10	1.30	0.88	0.40	1.20	0.80	0.30	1.80	1.17	0.10	1.50	0.98	0.20			
n)	%	19.50	16.89	13.80	22.80	19.93	16.80	22.40	17.84	15.20	21.10	19.26	14.70	22.20	18.53	14.70			
o)	%	0.00	0.38	0.00	0.00	0.08	0.00	0.00	0.28	0.00	1.00	1.17	0.00	0.00	0.71	0.00			
p)	%	0.30	0.33	0.00	0.40	0.39	0.00	0.30	0.35	0.00	1.20	0.63	0.00	0.50	0.48	0.00			
q)	£	1,300	900	700	1,600	1,200	1,000	1,570	994	960	1,540	550	250	1,620	770	410			
q)	€	1,800	1,200	900	2,200	1,700	1,400	2,170	1,356	1,320	2,120	760	340	2,230	1,060	560			

Staff Productivity & Education

TABLE 6		UK GROUP 1 OVER 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			ALL UK FIRMS OVER 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
		Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	
23	a)	£	99,260	86,410	75,190	88,850	81,740	78,630	91,920	84,950	76,870	82,780	77,700	69,740	89,270	81,450	71,270
23	a)	€	136,720	119,020	103,570	122,380	112,590	108,300	126,600	117,010	105,900	114,020	107,030	96,050	122,960	112,190	98,170
	b)	£	72.3	66.0	61.4	65.4	60.9	53.1	71.6	65.4	53.1	75.2	67.1	49.0	72.3	66.2	51.6
	b)	€	99.5	91.0	84.5	90.1	83.9	73.1	98.5	88.8	73.1	103.6	92.5	67.5	99.5	90.6	71.0
	c)	%	44	35	22	48	44	37	48	38	28	57	45	37	49	41	28
	d)	£	99,600	88,900	78,000	94,100	88,900	83,100	94,700	88,900	81,700	83,000	78,200	72,800	94,400	83,700	77,400
	d)	€	137,100	122,500	107,300	129,600	122,500	114,500	130,500	122,500	112,400	114,300	107,700	100,400	129,900	115,400	106,500
	e)	£	85,500	75,900	66,300	73,400	70,700	69,100	79,600	74,275	68,000	79,800	69,000	61,300	80,700	71,700	64,500
	e)	€	117,800	104,600	91,300	101,100	97,400	95,200	109,600	102,350	93,600	109,900	95,000	84,400	111,000	98,800	88,800
	f)	£	1.47	1.45	1.37	1.50	1.45	1.44	1.49	1.45	1.38	1.58	1.52	1.38	1.55	1.48	1.38
	f)	€	1.47	1.45	1.37	1.50	1.45	1.44	1.49	1.45	1.38	1.58	1.52	1.38	1.55	1.48	1.38
EDUCATION			Yes	No	Working Towards	Yes	No	Working Towards	Yes	No	Working Towards	Yes	No	Working Towards	Yes	No	Working Towards
24			9	0	0	7	0	0	14	0	0	13	0	0	27	0	0
25			7	1	0	7	0	0	12	1	0	7	6	0	19	7	0

Utilisation of Staff Time – Project Hours

TABLE 7	UK GROUP 1 over 500 EMPLOYEES					UK GROUP 2 250 - 500 EMPLOYEES					All UK FIRMS over 250 EMPLOYEES					EUROPEAN FIRMS					ALL FIRMS WHO TOOK PART IN THE INITIATIVE				
	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile			
	Total Project Hours (Billed & Unbilled) per year per Fee Earner																								
26	a)	Equity Partners / Statutory Directors	hrs	490	71	-	793	716	558	725	272	-	675	443	-	729	355	-	-	-	-	-			
	b)	Other Partners / Directors and Department Heads	hrs	974	874	718	1,321	1,157	1,029	1,206	962	819	1,408	1,272	1,022	1,378	1,112	819	819	819	819	819			
	c)	Senior Professional Staff	hrs	1,423	1,372	1,319	1,565	1,504	1,346	1,499	1,413	1,322	1,504	1,468	1,355	1,504	1,439	1,330	1,330	1,330	1,330	1,330			
	d)	Engineers	hrs	1,518	1,467	1,333	1,705	1,624	1,554	1,598	1,516	1,462	1,504	1,492	1,393	1,564	1,504	1,412	1,412	1,412	1,412	1,412	1,412		
	e)	Senior Technicians	hrs	1,604	1,580	1,484	1,668	1,644	1,576	1,647	1,600	1,557	1,478	1,367	1,211	1,622	1,487	1,358	1,358	1,358	1,358	1,358	1,358		
	f)	Junior & Graduate Engineers	hrs	1,529	1,489	1,380	1,634	1,550	1,519	1,567	1,508	1,486	1,486	1,472	1,348	1,230	1,491	1,498	1,443	1,443	1,443	1,443	1,443		
	g)	Technicians & Trainees	hrs	1,410	1,317	1,174	1,578	1,485	1,260	1,486	1,370	1,184	1,472	1,348	1,230	1,491	1,359	1,201	1,201	1,201	1,201	1,201	1,201		
	h)	Other Fee Earners	hrs	-	1,623	-	-	1,195	-	1,623	1,489	1,345	1,434	1,390	1,204	1,495	1,441	1,202	1,202	1,202	1,202	1,202	1,202		
	i)	Total Fee Earners	hrs	1,423	1,355	1,297	1,503	1,489	1,395	1,490	1,397	1,336	1,455	1,395	1,337	1,477	1,396	1,336	1,336	1,336	1,336	1,336	1,336		
	j)	Unbilled Project Hours per Fee Earner included above	hrs	81	71	62	225	96	84	96	79	71	122	111	81	116	94	71	71	71	71	71	71		
Project Hours (Billed & Unbilled) as a % of Paid Hours Worked																									
27	a)	Equity Partners / Statutory Directors	%	43.5	34.9	21.5	48.3	43.6	36.5	48.3	38.0	28.4	56.7	45.2	36.7	49.2	41.5	28.4	28.4	28.4	28.4	28.4	28.4		
	b)	Other Partners / Directors and Department Heads	%	58.0	50.0	42.5	76.6	68.8	60.2	71.1	56.0	47.1	85.1	72.6	47.2	81.5	64.0	47.1	47.1	47.1	47.1	47.1	47.1	47.1	
	c)	Senior Professional Staff	%	81.1	79.7	76.3	86.8	83.0	79.8	85.8	81.0	76.6	84.6	82.7	73.5	85.2	81.8	75.3	75.3	75.3	75.3	75.3	75.3	75.3	
	d)	Engineers	%	89.5	87.4	79.9	91.6	89.6	88.6	90.6	88.0	84.0	85.2	83.1	79.2	89.8	85.6	80.2	80.2	80.2	80.2	80.2	80.2	80.2	
	e)	Senior Technicians	%	94.1	92.1	90.5	94.1	91.6	89.2	93.5	92.0	89.4	85.0	82.8	70.2	92.2	87.6	83.2	83.2	83.2	83.2	83.2	83.2	83.2	
	f)	Junior & Graduate Engineers	%	90.3	86.5	79.9	96.0	89.6	82.7	90.5	87.0	79.8	85.7	84.2	79.4	89.9	85.6	78.9	78.9	78.9	78.9	78.9	78.9	78.9	
	g)	Technicians & Trainees	%	79.6	76.8	74.1	89.9	82.1	73.7	86.6	78.0	74.9	84.6	78.7	69.6	86.2	78.3	71.1	71.1	71.1	71.1	71.1	71.1	71.1	
	h)	Other Fee Earners	%	-	95.8	-	-	61.3	-	95.8	85.0	75.7	83.4	76.0	69.9	86.3	80.7	69.4	69.4	69.4	69.4	69.4	69.4	69.4	
	i)	Total Fee Earners	%	80.9	79.6	75.3	84.7	84.6	80.1	84.7	81.0	76.6	84.9	81.6	75.9	84.7	81.3	76.0	76.0	76.0	76.0	76.0	76.0	76.0	

Staff Turnover & Reasons for Leaving

TABLE 9		UK GROUP 1 over 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			All UK FIRMS over 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE				
		Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile		
Staff Turnover																		
Leavers as a % of Staff at beginning of year																		
30	a)	Fee Earners	%	21.8	17.5	12.8	21.7	18.1	15.9	22.1	17.7	13.5	19.1	15.1	9.3	22.0	16.4	9.9
	b)	Support Staff	%	27.4	19.0	13.6	29.5	25.7	15.2	28.2	21.1	13.0	19.5	17.0	8.3	26.9	19.1	10.9
	c)	All Staff	%	22.4	17.8	12.9	24.2	19.4	15.9	22.6	18.3	13.8	18.5	15.4	10.0	22.6	16.9	10.2
Fee Earners - changes compared with beginning of year																		
31	a)	Left voluntarily	%	17.2	14.2	10.2	16.3	14.7	14.7	16.9	14.4	10.9	13.7	10.6	4.3	16.7	12.6	8.5
	b)	Left for other reason	%	3.9	3.2	1.4	4.7	3.4	1.1	4.3	3.3	0.5	4.2	4.4	0.3	4.2	3.8	0.4
	c)	Total fee earners leaving	%	21.8	17.5	12.8	21.7	18.1	15.9	22.1	17.7	13.5	19.1	15.1	9.3	22.0	16.4	9.9
	d)	Fee earners joining	%	34.7	28.9	20.5	40.6	32.7	24.8	40.2	30.1	23.9	31.2	23.2	12.0	37.6	26.8	19.0
	e)	% Increase in number of fee earners	%	14.3	11.4	1.2	19.9	14.6	10.8	18.9	12.4	3.9	10.0	8.2	2.1	17.9	10.4	2.1
Support Staff - changes compared with beginning of year																		
32	a)	Left voluntarily	%	18.2	14.2	9.3	23.1	21.8	15.2	21.0	16.6	9.3	13.0	10.1	4.7	18.4	13.5	8.3
	b)	Left for other reason	%	7.0	4.8	1.6	7.3	3.9	-	7.2	4.5	-	13.8	6.9	-	7.3	5.7	-
	c)	Total support staff leaving	%	27.4	19.0	13.6	29.5	25.7	15.2	28.2	21.1	13.0	19.5	17.0	8.3	26.9	19.1	10.9
	d)	Total support staff joining	%	32.6	24.8	17.1	39.8	33.9	22.8	34.5	27.7	17.2	26.5	18.9	11.1	31.9	23.5	13.0
	e)	% Increase in number of support staff	%	6.8	5.8	(1.1)	14.8	8.2	0.6	10.5	6.6	0.3	11.5	1.9	(9.8)	11.3	4.4	(3.9)
	f)	% Increase in total permanent and contract staff	%	12.8	10.4	0.5	19.6	13.6	9.5	19.6	11.4	3.4	10.4	8.3	3.5	16.9	9.9	1.7
	g)	% Increase in Total Permanent Staff through mergers or acquisitions	%	0.4	0.8	-	6.3	4.2	-	1.1	1.9	-	2.8	2.7	-	1.8	2.3	-
Length of Service of Fee Earners Leaving Voluntarily																		
33	a)	Up to 12 months	%	24.3	17.1	14.5	33.9	23.8	20.6	33.4	19.2	14.6	20.0	16.1	10.3	33.4	17.7	11.4
	b)	1 - 5 years	%	56.5	50.3	43.5	53.3	55.3	49.5	54.5	51.8	47.2	61.5	53.0	25.0	56.8	52.4	42.1
	c)	Over 5 years	%	31.7	32.7	23.9	25.3	20.9	15.5	30.4	29.0	19.9	59.4	30.9	24.6	39.7	29.9	21.8
		Total	%		100.0			100.0			100.0			100.0			100.0	
	d)	Average length of service of leavers	years	4.2	3.6	3.3	3.8	3.3	3.0	4.1	3.5	3.3	5.6	4.0	3.9	4.4	3.7	3.4
Gender																		
34		Female Fee Earners as a % of Total Fee Earners	%	32	26	23	21	17	15	31	23	18	33	31	25	32	27	19

TABLE 10		UK GROUP 1 over 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			ALL UK FIRMS over 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
		Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	
Marketing & Bidding Costs as % of Net Revenue																	
35	a)	Marketing Staff Costs	%	1.0	0.8	0.4	1.3	1.0	0.7	0.7	0.5	0.7	0.5	0.7	1.2	0.7	0.3
	b)	Fee Earners' Cost - Bidding & Marketing	%	3.3	3.0	2.7	2.7	2.3	2.1	2.1	2.8	2.1	2.1	6.2	5.1	4.1	2.6
	c)	Marketing, PR, Brochures	%	0.6	0.5	0.3	0.8	0.8	0.6	0.6	0.6	0.3	0.3	1.3	0.9	0.7	0.3
	d)	Total Marketing Cost	%	4.7	4.3	4.0	4.4	4.1	4.1	4.3	4.3	3.3	3.3	7.6	6.6	5.6	4.2
	e)	Projects won this year per Fee Earner	%	2.2	0.8	0.6	3.1	2.9	2.4	3.1	1.4	0.6	0.6	4.4	3.5	1.3	0.4
	f)	Value of new projects won as a multiple of Gross Revenue	%	0.80	0.82	0.80	1.00	0.90	0.80	1.00	0.80	0.80	0.80	1.00	1.00	0.86	0.80
% Breakdown of New Projects by number																	
36	a)	Existing Clients	%	88	72	64	77	74	71	82	72	69	93	85	92	79	73
	b)	New Clients	%	36	28	13	29	26	24	31	28	18	19	15	27	21	8
	c)	Total	%		100			100			100			100		100	
37		Overall Average Value for new projects	£	126,100	64,500	30,300	38,900	28,900	27,200	115,900	53,375	27,200	238,300	169,200	162,700	109,300	21,900
37		Overall Average Value for new projects	€	173,700	88,800	41,700	53,600	39,800	37,500	159,600	73,500	37,500	328,300	233,100	224,200	150,500	30,300
Competitive Tendering Bids																	
38		% of Tenders won by number	%	56	49	41	71	48	39	71	49	39	60	45	62	47	33
		Order book as multiple of Average Monthly Revenue															
39	a)	Total value of order book at year end	Months	17.6	14.7	6.2	11.9	12.8	7.5	13.5	14.1	6.2	17.8	14.4	15.0	14.2	6.3
	b)	Value of orders due to begin in 12 months starting from end of report year	Months	6.0	5.8	4.7	6.3	5.6	4.5	6.7	5.8	4.6	10.0	8.4	8.4	7.1	4.7
	c)	Value of order book at end of previous year	Months	20.9	13.8	6.1	9.5	7.8	6.5	10.2	11.9	6.1	19.0	13.1	17.9	12.5	6.0
	d)	Increase/decrease in order book	%	49.9	20.9	10.8	52.2	32.0	14.4	51.7	24.4	11.3	11.9	20.9	41.7	22.7	6.5
Customer Analysis																	
40	a)	Public Sector - Local Government	%	18.9	14.3	7.9	12.5	9.9	7.0	15.3	12.9	6.5	33.4	20.5	19.9	16.6	7.1
	b)	Public Sector - Central Government	%	33.5	24.6	12.3	25.5	19.6	8.5	32.0	23.0	12.5	44.4	34.3	42.3	28.5	18.0
	c)	Private Sector	%	75.4	61.1	52.3	79.5	70.4	65.0	77.5	64.0	54.3	69.0	45.2	71.6	54.9	44.6
				100.0	100.0			100.0			100.0			100.0		100.0	
% of Revenue Attributable to 3 Largest Clients																	
41	a)	Client 1	%	14.7	6.9	6.4	9.0	7.0	6.7	11.8	6.9	6.7	15.8	11.2	14.6	9.0	6.7
	b)	Client 2	%	6.5	5.0	3.9	5.9	5.6	5.0	6.3	5.2	4.1	10.8	7.3	8.7	6.2	4.1
	c)	Client 3	%	4.1	3.5	2.8	4.1	3.6	3.4	6.3	3.5	4.1	7.3	4.8	5.2	4.1	3.5

TABLE 11	UK GROUP 1 OVER 500 EMPLOYEES				UK GROUP 2 250 - 500 EMPLOYEES				ALL UK FIRMS OVER 250 EMPLOYEES				EUROPEAN FIRMS				ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
	Upper Quartile	Median	Lower Quartile	%	Upper Quartile	Median	Lower Quartile	%	Upper Quartile	Median	Lower Quartile	%	Upper Quartile	Median	Lower Quartile	%	Upper Quartile	Median	Lower Quartile	%
42	Growth in Gross Revenue compared with same quarter of previous year																			
	a)	37.4	16.2	4.3	16.3	8.1	(3.0)	17.5	13.7	(0.5)	24.8	9.8	(5.8)	22.6	11.8	(3.9)				
	b)	34.6	21.4	13.9	21.9	14.2	0.2	25.9	19.2	5.0	18.4	13.5	3.2	22.1	16.4	3.9				
	c)	29.3	17.9	14.0	24.5	14.2	2.7	29.2	16.7	10.4	25.4	6.8	(23.3)	29.2	11.9	(5.1)				
	d)	28.9	18.8	9.6	26.6	9.6	5.2	28.6	15.9	6.4	25.4	9.9	3.7	27.8	13.0	5.2				
	e)	7.6	4.9	1.7	32.7	5.4	(3.2)	17.2	5.1	(2.9)	37.6	19.7	(0.6)	32.7	12.1	(2.0)				
f)	10.1	6.7	2.5	26.5	18.0	5.3	18.3	10.2	4.2	13.6	4.3	(4.9)	18.1	7.4	2.7					
43	Growth in Rolling 12 months Revenue compared to previous 12 months																			
	a)	18.5	15.9	15.4	21.2	15.9	0.6	(10.6)	15.9	(23.0)	16.6	9.4	2.5	18.6	12.8	1.6				
	b)	19.3	12.8	10.9	18.9	11.1	4.9	21.0	12.2	10.2	18.7	12.6	6.7	19.5	12.4	6.7				
c)	17.4	13.7	6.8	27.3	7.6	4.2	21.9	11.8	4.2	19.0	11.4	6.8	21.5	11.6	5.9					
44	Index of Revenue Growth (Jan-Mar 2014 = 100)																			
	a)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
	b)	104.9	95.7	100.0	107.5	103.6	96.4	105.9	98.2	98.6	125.7	123.4	102.2	118.8	110.4	98.8				
	c)	117.9	105.8	100.0	117.0	108.5	101.7	117.4	106.6	99.9	123.6	104.6	87.6	121.8	105.6	93.8				
	d)	130.5	115.6	100.0	121.1	118.0	107.9	125.9	116.3	101.4	161.6	149.5	109.6	144.3	132.3	105.7				
	e)	137.4	132.8	104.3	116.3	109.3	97.1	117.5	125.4	99.5	124.8	109.0	94.2	122.6	117.5	96.1				
	f)	133.0	128.9	109.4	121.3	114.8	107.5	121.3	124.5	107.9	143.4	138.1	104.7	136.2	131.1	105.4				
	g)	133.2	141.9	115.1	132.9	124.2	113.2	133.0	136.4	109.6	111.7	107.0	87.2	131.6	122.2	94.3				
	h)	143.1	136.4	111.5	144.4	134.1	122.2	145.0	135.7	116.5	165.9	152.5	105.6	154.7	143.8	112.7				
	i)	136.6	128.6	112.3	142.5	124.3	103.1	140.1	127.3	107.7	147.2	128.6	104.2	142.0	127.9	105.1				
	j)	138.9	124.9	113.4	152.3	137.5	120.8	141.5	128.9	115.0	157.2	134.1	112.0	156.6	131.4	112.1				
45	Forecast Growth between Report Year and Current Year (ie Report Year+1)																			
	a)	18.0	12.4	4.6	16.2	15.6	5.6	18.4	13.4	4.8	17.1	12.3	6.5	17.1	12.9	6.0				
	b)	14.1	8.3	(3.6)	19.0	16.8	4.4	21.0	11.0	1.0	18.3	13.4	8.5	20.6	12.2	3.0				
	c)	42.1	36.3	20.1	38.4	32.0	14.4	40.4	35.0	10.8	62.2	6.4	(15.9)	47.2	21.2	(9.0)				
d)	2.5	1.4	0.2	1.7	0.7	(2.2)	3.2	1.2	(0.5)	1.6	0.1	(2.6)	2.5	0.7	(2.0)					

Function Costs as % of Net Revenue

TABLE 12		UK GROUP 1 over 500 EMPLOYEES					UK GROUP 2 250 - 500 EMPLOYEES					All UK FIRMS over 250 EMPLOYEES					EUROPEAN FIRMS					ALL FIRMS WHO TOOK PART IN THE INITIATIVE				
		Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile			
IT Costs as % of Net Revenue																										
46	a)	IT Staff Costs	%	1.10	1.28	0.80	0.90	0.77	0.50	1.00	1.12	0.50	1.00	1.10	0.70	1.00	1.11	0.60								
	b)	Other IT & Communication costs	%	3.30	2.33	1.90	4.60	3.56	2.70	3.70	2.71	2.10	2.90	1.44	0.20	3.20	2.10	1.20								
	c)	IT Engineering Specific Software	%	0.90	0.41	0.00	0.80	0.59	0.00	0.90	0.47	0.00	0.40	0.05	0.00	0.80	0.27	0.00								
	d)	Total IT Costs	%	5.10	4.02	3.60	5.50	4.92	3.70	5.40	4.30	3.50	3.90	2.59	2.90	4.80	3.47	3.30								
	e)	IT & Communication Costs per employee	£	3,920	3,520	2,490	4,170	3,700	2,550	4,200	3,580	2,400	2,900	2,600	2,000.00	4,000	3,100	2,300								
	e)	IT & Communication Costs per employee	€	5,400	4,900	3,400	5,700	5,100	3,500	5,740	4,960	3,260	4,050	3,530	2,700	5,500	4,300	3,200								
HR Costs as % of Net Revenue																										
47	a)	HR Staff Costs	%	0.90	0.87	0.50	0.80	0.66	0.40	0.90	0.80	0.40	0.70	0.79	0.50	0.90	0.80	0.40								
	b)	Recruitment Costs	%	0.70	0.41	0.40	1.00	0.87	0.50	0.80	0.55	0.40	0.20	0.09	0.00	0.70	0.33	0.10								
	c)	Training Costs	%	0.70	0.59	0.40	0.90	0.82	0.50	0.80	0.66	0.50	0.50	0.21	0.00	0.60	0.44	0.10								
	d)	Total HR Costs	%	2.20	1.87	1.50	2.50	2.35	1.90	2.30	2.02	1.50	1.40	1.09	0.90	2.10	1.57	1.20								
	e)	Total HR Costs per employee (including contract)	£	1,780	1,590	1,120	1,920	1,770	1,300	1,800	1,650	1,000	1,300	930	600.00	1,800	1,300	900								
	e)	Total HR Costs per employee (including contract)	€	2,500	2,200	1,600	2,700	2,400	1,800	2,490	2,260	1,400	1,800	1,280	820	2,400	1,800	1,200								
	f)	Recruitment Costs per employee joining	£	2,120	1,550	1,370	2,350	2,280	1,500	2,100	1,780	1,400	1,100	520	250	2,100	1,200	700								
	g)	Recruitment Costs per employee joining	€	2,900	2,100	1,900	3,300	3,100	2,100	2,950	2,410	1,910	1,500	720	380	2,900	1,600	1,000								
	h)	Training Costs per employee	£	630	500	260	690	620	370	670	540	330	620	330	320	670	440	330								
	i)	Training Costs per employee	€	870	690	350	940	850	510	920	740	450	850	450	440	920	600	450								

Current Assets

TABLE 13	UK GROUP 1 over 500 EMPLOYEES					UK GROUP 2 250 - 500 EMPLOYEES					All UK FIRMS over 250 EMPLOYEES					EUROPEAN FIRMS					ALL FIRMS WHO TOOK PART IN THE INITIATIVE					
	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	
	Debtors in terms of Average Daily Sales																									
48	a)	Fewer than 30 days	days	46.0	44.0	27.1	54.3	47.2	39.4	48.8	45.0	35.0	62.3	65.6	31.4	58.8	54.9	34.0								
	b)	30 - 60 days	days	17.1	11.5	7.1	23.1	19.9	15.8	19.5	14.1	7.3	13.1	7.2	4.0	17.7	10.7	6.0								
	c)	60 - 90 days	days	6.7	4.3	1.9	10.2	9.7	6.5	9.0	6.0	2.2	7.6	7.0	3.8	7.6	6.5	2.2								
	d)	Over 90 days	days	9.2	7.3	4.5	27.7	17.4	8.6	15.3	10.5	4.6	26.4	12.4	5.2	20.5	11.4	4.5								
	e)	Total Debtors	days	81.0	67.1	40.4	101.2	94.2	83.2	92.8	75.5	55.4	132.0	92.1	69.3	94.5	83.5	60.8								
Balance Sheet Ratios																										
49	a)	Current assets/current liabilities (due in < 1 year)	%	2.12	1.57	1.40	2.18	1.94	1.75	2.09	1.69	1.41	1.97	1.37	1.27	2.01	1.53	1.33								
	b)	Current assets excluding work in progress & unbilled disbursements / current liabilities (due in < 1 year)	%	1.94	1.35	1.20	2.01	1.69	1.63	1.97	1.46	1.21	1.43	1.20	1.03	1.69	1.33	1.10								
	c)	Total Liabilities/ Total Shareholders Equity	%	1.60	0.95	0.75	1.49	1.21	0.77	1.76	1.03	0.83	2.17	1.32	0.94	2.11	1.17	0.91								
	d)	Creditors due in over 1 year/ Shareholders Equity	%	0.48	0.07	0.02	0.26	0.20	0.15	0.44	0.11	0.07	0.85	0.34	0.14	0.60	0.22	0.09								
	e)	Profit before Tax, Exceptionals & Goodwill Write-Off/Shareholders Equity + Creditors > 1 year	%	50.4	18.0	12.4	32.3	26.2	17.7	35.2	20.6	11.8	28.5	15.6	11.3	33.2	18.2	11.9								

TABLE 14 ASSETS AND LIABILITIES PER £/€ 1,000 OF GROSS REVENUE		UK GROUP 1 OVER 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			ALL UK FIRMS OVER 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE			
		Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	
Fixed Assets																	
50	Total Fixed Assets	£/€	233	155	50	80	71	40	199	129	48	257	231	153	229	178	64
Current Assets																	
51	a) Debtors	£/€	222	184	111	277	258	228	254	207	152	362	298	190	259	251	167
	b) Work in Progress	£/€	77	59	47	75	53	25	84	57	41	145	107	66	107	81	46
	c) Unbilled Reimbursable Expenses	£/€	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-
	d) Cash Equivalents	£/€	87	85	31	115	107	69	113	92	31	159	118	38	132	105	31
	e) Other Current Assets	£/€	319	205	43	118	75	23	203	165	36	89	102	11	146	135	19
	f) Total Current Assets	£/€	626	533	384	586	493	389	629	521	394	741	627	344	678	572	344
Creditors Due within the Year																	
52	a) Trade Creditors	£/€	58	66	15	50	44	42	56	59	20	218	175	44	72	115	35
	b) Fees in Advance	£/€	77	54	15	39	36	7	67	48	12	77	73	-	77	60	3
	c) Bank Loans/Overdrafts /HP/Lease Payments due in 1 year	£/€	-	4	-	20	10	-	2	6	-	54	46	8	32	25	-
	d) Other Creditors (Taxes, Accruals etc)	£/€	134	142	96	181	148	122	153	144	102	153	116	53	155	130	64
	e) Total Creditors Due Within One Year	£/€	283	265	185	321	239	189	319	257	189	526	410	250	324	331	196
Creditors Due after more than One Year																	
53	a) Borrowings (excluding Shareholder Debt)	£/€	-	1	-	46	45	22	44	15	-	82	51	0	46	32	-
	b) Shareholder Debt	£/€	-	23	-	9	6	-	-	18	-	-	13	-	-	16	-
	c) Other	£/€	11	5	-	-	-	-	1	3	-	15	12	-	6	8	-
	d) Total Creditors Due after more than one year	£/€	25	29	-	57	51	22	46	36	-	125	76	5	112	55	-
54	Provisions for Liabilities	£/€	71	58	-	10	9	-	30	43	-	64	61	3	52	52	0
55	Net Assets	£/€	374	336	138	300	265	219	350	314	191	397	311	175	397	313	175
56	Shareholders Funds	£/€	374	336	138	300	265	219	350	314	191	397	311	175	397	313	175

Carbon Footprint

TABLE 15	UK GROUP 1 OVER 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			ALL UK FIRMS OVER 250 EMPLOYEES			EUROPEAN FIRMS			ALL FIRMS WHO TOOK PART IN THE INITIATIVE		
	Yes	No	Likely to in future	Yes	No	Likely to in future	Yes	No	Likely to in future	Yes	No	Likely to in future	Yes	No	Likely to in future
57	2	5	0	0	6	1	2	10	1	1	12	0	3	23	1
58	6	0	1	3	1	3	8	1	4	5	8	0	13	10	4
59													Upper Quartile	Average	Lower Quartile
a)														0.319	
b)														0.833	
c)													1.390	1.152	0.730
d)													2.080	1.358	0.560
e)													0.733	0.390	-
f)													0.020	0.161	-
g)													2.110	1.909	1.370
h)													3.270	3.061	2.400
i)													-	(0.250)	

Late Payments

TABLE 16		UK GROUP 1 over 500 EMPLOYEES			UK GROUP 2 250 - 500 EMPLOYEES			All UK FIRMS over 250 EMPLOYEES			SMEs under 250 employees			ALL UK FIRMS INCLUDING SME		
		Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile	Upper Quartile	Average	Lower Quartile
60	Debtors in Terms of Average Days Sales															
	a) Public Sector Debtors	75.0	51.1	25.0	90.5	89.3	83.3	83.5	64.5	42.1	99.8	81.6	55.3	84.8	80.8	49.9
	b) Private Sector Debtors	76.4	85.6	38.6	112.5	95.2	82.6	105.7	91.7	69.3	122.4	87.6	64.8	116.9	93.3	64.8
	Total Debtors	81.0	67.1	40.4	101.2	94.2	83.2	92.8	75.5	55.4	113.4	92.5	56.4	-	-	-
61	% of Turnover with problems getting payment within contract terms	17.8	9.3	1.5	53.8	32.6	11.3	16.4	12.2	-	50.0	31.4	6.0	94.5	84.8	53.6
62	Staff Time Spent Settling Late Payment Disputes															
	a) Director/Partner	1.0	1.4	0.3	5.0	3.6	1.1	1.0	1.3	-	5.0	3.4	1.8	-	3.0	0.9
	b) Other Staff	2.5	2.1	1.0	4.0	2.8	2.0	2.0	1.2	-	5.0	4.0	2.5	5.0	3.4	1.3
63	% of Payments on which Recovery or Legal Costs Incurred	1.60	0.99	0.50	0.60	0.62	0.40	0.60	0.47	-	-	1.0	-	1.0	1.0	0.5
64	Where action is taken, how many days after contractual payment date do you typically:															
	a) Send a Pre-action Letter	60	54	50	60	47	33	60	28	-	60	60	45	60.0	55.4	35.0
	b) Take Legal Action	131	109	90	90	69	54	90	47	-	120	120	90	120.0	101.8	90.0
	c) Suspend Work	90	90	90	60	60	60	-	14	-	-	-	-	-	-	-
65	3rd Party Recovery and Legal Costs per £/million of Gross Revenue	457	810	5	348	328	31	594	649	7	158	302	-	160.4	471.1	-

Sources of Income

TABLE 17			UK GROUP 1	UK GROUP 2	UK FIRMS	EUROPEAN FIRMS	ALL FIRMS IN THE PROJECT
			Over 500 employees	250 to 500 employees	of all sizes		
Engineering Services							
a)	Structural	%	10.6	14.0	11.0	15.5	11.6
b)	Civil	%	19.3	21.9	19.7	12.3	17.3
c)	Mechanical Engineering	%	13.4	41.1	13.7	7.5	11.6
d)	Other Engineering	%	4.9	8.1	5.1	23.1	13.5
e)	Total Engineering	%	48.2	85.1	49.6	58.3	53.9
Consultancy Services							
a)	Environmental Consultancy	%	4.6	7.8	4.6	10.8	7.7
b)	Transport Planning	%	8.6	6.4	8.4	1.5	4.9
c)	Project Management	%	10.7	0.6	10.4	3.5	6.9
d)	Construction Supervision	%	1.3	0.1	1.3	6.0	3.7
e)	Other	%	24.3	-	23.5	4.4	14.0
f)	Total Consultancy	%	49.4	14.9	48.1	26.2	37.2
g)	Other Services	%	1.9	-	1.8	15.5	8.7
h)	Total Net Professional Fees	%	99.5	100.0	99.5	100.0	99.8
i)	Other Revenue	%	0.5	-	0.5	-	0.3
j)	Total Net Revenue	%	100.0	100.0	100.0	100.0	100.0

Sector Analysis

TABLE 18			UK GROUP 1	UK GROUP 2	UK FIRMS	EUROPEAN FIRMS	ALL FIRMS IN THE PROJECT
			Over 500 employees	250 to 500 employees	of all sizes		
1.1	Rail	%	20.6	11.8	23.3	27.6	29.3
1.2	Roads	%	18.1	8.2	13.8	13.9	13.8
1.3	Airports	%	3.8	0.3	4.2	2.3	3.8
1.4	Water, Sewerage, River and Sea Defences	%	5.1	4.2	5.9	7.8	7.8
1.5	Gas/Electricity/Oil/Coal	%	5.6	2.2	4.4	17.4	4.4
1.6	Renewable / Nuclear Energy	%	5.5	2.2	6.2	0.9	4.2
1.7	Waste Management	%	1.0	1.2	1.2	0.1	0.8
1.8	Other Infrastructure	%	2.2	1.8	2.5	8.0	5.9
1	Total Infrastructure	%	61.8	32.0	61.4	78.0	70.0
2.1	Housing		5.0	16.5	5.0	2.7	3.8
2.2	Defence Design and Consulting/Prisons	%	5.8	1.1	5.7	0.2	3.5
2.3	Education	%	4.7	10.7	4.8	5.1	4.3
2.4	Health	%	2.5	5.7	2.5	2.1	2.1
2.5	Commercial Property including Retail	%	11.4	26.5	11.8	5.6	8.7
2	Total Buildings / Property / Housing	%	29.3	60.5	29.8	15.7	22.4
3.1	Manufacturing, Chemical & Process Plant Facilities	%	1.8	2.3	1.8	2.9	2.3
3.2	Mining & Quarrying	%	0.1	-	0.1	0.3	0.2
3.3	Other Industrial	%	2.2	2.0	2.2	2.2	2.3
3	Total Industrial	%	4.0	4.3	4.1	5.4	4.8
4	Other Revenue	%	4.8	3.2	4.7	0.9	2.7
5	Total Net Revenue	%	100.0	100.0	100.0	100.0	100.0

RESULTS TABLES – SME COMPANIES

Table 1

SUMMARY RATIOS			UPPER QUARTILE	AVERAGE	LOWER QUARTILE
Overall Profitability					
1	Profit as a % of Net Revenue	%	16.0	12.8	7.1
2	Profit before Partners'/Directors' payroll costs (ratios 1 + 14a on Table 2)	%	26.4	24.4	18.6
3	Profit per Fee Earner	£	13,810	11,080	5,740
3	Profit per Fee Earner	€	19,020	15,270	7,910
4	Net Revenue per Fee Earner	£	93,050	84,620	70,670
4	Net Revenue per Fee Earner	€	128,200	116,600	97,300
5	Increase/Decrease in Revenue from the Previous Year	%	15.8	11.5 *	5.1
Principal Costs as % of Net Revenue					
6	Gross Revenue	%	122.6	119.3	100.6
7	less Sub Contract/Outsourcing Costs/Disbursements	%	(22.6)	(19.3)	(0.6)
8	Net Revenue	%	100.0	100.0	100.0
9	Project Direct Costs including travel	%	4.8	3.3	-
10	Fee Earners Staff Costs (including temporary staff costs)	%	63.6	58.0	52.4
11	Support Staff Costs (including temporary staff costs)	%	6.9	5.3	3.6
12	Gross Margin	%	34.9	33.4	29.2
13	Overheads & Office Expenses	%	24.6	20.6	17.3
1	Profit Margin (before Tax, Exceptionals & Goodwill Write-Off)	%	16.0	12.8	7.1
1b	Profit Margin - Prior Year	%	16.6	11.8	5.2
1c	Increase/Decrease in Profit from the Previous Year	%	156.8	28.1	(21.7)

*Median

Table 2

FEE EARNERS & SUPPORT STAFF COSTS				UPPER QUARTILE	AVERAGE	LOWER QUARTILE
Fee Earners Staff Costs as a % of Net Revenue						
14	a)	Equity Partners/Statutory Directors	%	12.5	11.6	5.8
	b)	Salaried Partners/Other Directors/Department Heads	%	10.6	6.7	-
	c)	Senior Professional Staff	%	20.3	17.3	11.2
	d)	Engineers	%	11.5	9.7	7.4
	e)	Senior Technicians	%	6.6	4.8	1.2
	f)	Junior & Graduate Engineers	%	7.8	5.2	2.5
	g)	Technicians & Trainees	%	2.2	1.3	-
	h)	Other Fee Earners	%	-	0.6	-
	i)	Temporary Fee Earners	%	-	0.8	-
	j)	Total Fee Earners' Staff Costs (Ratio 10, Table 1)	%	63.6	58.0	52.4
Support Staff Costs as a % of Net Revenue						
15	a)	Permanent Support Staff	%	6.9	5.1	3.6
	b)	Temporary Support Staff	%	-	0.1	-
	c)	Total Support Staff Costs (Ratio 11, Table 1)	%	6.9	5.3	3.6
Total Staff Costs as a % of Net Revenue						
16	a)	Total Staff Costs as a % of Revenue - Report Year	%	69.5	63.3	59.8
	b)	Total Staff Costs as a % of Revenue - Prior Year	%	69.6	63.0	56.5
	c)	Increase/Decrease in Staff Costs (in £s or €s) from the previous year	%	19.8	13.9	6.3
17		Bonuses (contractual or discretionary) as a % of Total Staff Costs	%	4.5	3.2	-
18	a)	Contract Fee Earners as a % of Total Fee Earners	%	11.9	7.1	-
	b)	Contract Support Staff as a % of Total Support Staff	%	-	2.1	-

Table 3

STAFF STRUCTURE				UPPER QUARTILE	AVERAGE	LOWER QUARTILE
Staff Structure						
19	a)	Equity Partners/Statutory Directors	%	12.8	6.1	5.0
	b)	Salaried Partners/Other Directors/Department Heads	%	13.7	6.2	-
	c)	Senior Professional Staff	%	27.5	28.1	14.0
	d)	Engineers	%	21.7	20.0	13.3
	e)	Senior Technicians	%	12.7	7.1	4.0
	f)	Junior & Graduate Engineers	%	18.5	11.2	7.6
	g)	Technicians & Trainees	%	8.5	5.0	-
	h)	Other Fee Earners	%	-	0.7	-
	i)	Total Fee Earners	%	90.3	84.3	84.9
	j)	Total Support Staff	%	15.3	15.7	10.3
	k)	Total Staff	%	100.0	100.0	100.0
Staff per Partner/ Director/Department Head						
20	a)	Senior Professional Staff	no.	3.00	2.27	0.80
	b)	Engineers	no.	2.60	1.62	0.80
	c)	Senior Technicians	no.	0.90	0.58	0.20
	d)	Junior & Graduate Engineers	no.	1.80	0.91	0.40
	e)	Technicians & Trainees	no.	0.50	0.40	-
	f)	Other Fee Earners	no.	-	0.05	-
	g)	Total Fee Earners	no.	8.10	5.83	2.90
	h)	Total Support Staff	no.	1.50	1.27	0.50
	i)	Total staff per Partner/Director/Dept.Head	no.	9.40	7.10	3.40
	j)	Number of Support Staff per Fee Earner	no.	0.20	0.19	0.10

Table 4 – Sterling

STAFF COSTS PER HEAD (£)				UPPER QUARTILE	MEDIAN	LOWER QUARTILE
Staff Cost per Head (including bonus, employer NI & pension contribution)						
21	a)	Equity Partners	£	100,000	100,000	75,000
	b)	Statutory Directors	£	109,400	90,750	70,500
	c)	Salaried Partners/Other Directors & Department Heads	£	84,000	76,600	64,100
	d)	Senior Professional Staff	£	61,300	55,000	47,300
	e)	Engineers	£	41,600	37,950	34,300
	f)	Senior Technicians	£	37,700	33,500	31,500
	g)	Junior & Graduate Engineers	£	28,400	25,700	20,700
	h)	Technicians & Trainees	£	20,200	17,600	14,300
	i)	Other Fee Earners	£	35,500	23,100	20,600
	j)	Average Cost - All Fee Earners	£	54,400	47,500	41,300
	k)	Average Cost - excl. Partners, Directors, Dept. Heads	£	43,400	37,950	33,400
	l)	Average Cost per Support Staff Employee	£	33,000	29,600	21,500
	m)	Average Cost per Member of Staff	£	51,700	45,300	38,900
	n)	Average bonus per employee (excluding partners)	£	-	1,365	-

Table 4 – Euro

STAFF COSTS PER HEAD (€)				UPPER QUARTILE	MEDIAN	LOWER QUARTILE
Staff Cost per Head (including bonus, employer NI & pension contribution)						
21	a)	Equity Partners	€	137,700	137,700	103,300
	b)	Statutory Directors	€	150,700	125,000	97,100
	c)	Salaried Partners/Other Directors & Department Heads	€	115,600	105,500	88,300
	d)	Senior Professional Staff	€	84,500	75,800	65,200
	e)	Engineers	€	57,200	52,300	47,300
	f)	Senior Technicians	€	52,000	46,100	43,400
	g)	Junior & Graduate Engineers	€	39,200	35,450	28,500
	h)	Technicians & Trainees	€	27,900	24,300	19,700
	i)	Other Fee Earners	€	48,900	31,900	28,300
	j)	Average Cost - All Fee Earners	€	75,000	65,400	56,900
	k)	Average Cost - excl. Partners, Directors, Dept. Heads	€	59,700	52,300	46,100
	l)	Average Cost per Support Staff Employee	€	45,400	40,800	29,700
	m)	Average Cost per Member of Staff	€	71,200	62,400	53,700
	n)	Average Bonus per Employee (excluding partners)	€	-	1,879	-

Table 5

OPERATING EXPENSES AS % OF NET REVENUE				UPPER QUARTILE	AVERAGE	LOWER QUARTILE
22	a)	Rent, Rates & Service charges	%	5.90	4.79	3.50
	b)	IT, Communications & Equipment (including depreciation)	%	4.70	3.27	2.20
	c)	Marketing, PR, Brochures	%	0.90	0.60	0.20
	d)	Professional Indemnity Insurance	%	2.30	1.91	1.00
	e)	Legal, Professional, Consultancy	%	1.90	1.38	0.50
	f)	Recruitment Costs	%	1.10	0.85	0.30
	g)	Training Costs	%	0.90	0.62	0.40
	h)	Non-project Travel & Subsistence	%	1.20	0.97	-
	i)	Bad Debts Written Off and Provisions	%	1.10	1.22	-
	j)	Other Office Expenses	%	5.60	4.60	1.90
	k)	Bank Interest Paid	%	0.50	0.44	-
	l)	Total Overheads & Office Expenses	%	24.60	20.65	17.30
	m)	Exceptional One-Off Items not included above	%	-	0.5	-
	n)	Write-off of Goodwill not included above	%	-	0.1	-
	o)	Professional Indemnity Insurance Costs per Fee Earner	£	2,240	1,510	720
	o)	Professional Indemnity Insurance Costs per Fee Earner	€	3,075	2,082	980
	p)	Training Costs per Employee	£	760	510	250
	p)	Training Costs per Employee	€	1,050	702	347
23	a)	Overhead & Office Expenses as % of Net Revenue - Prior Year	%	31.2	22.5	15.1
	b)	Increase/Decrease in Overheads (in £s or €s) from the previous year	%	23.7	6.9	(9.8)

Table 6

STAFF PRODUCTIVITY & CHARGING				UPPER QUARTILE	AVERAGE	LOWER QUARTILE
Staff Productivity						
24	a)	Net Revenue per Fee Earner per year	£	93,050	84,620	70,670
	b)	Net Revenue per Fee Earner per Billed Project Hour	£	80.1	64.3	49.3
	c)	Net Revenue per Staff Member (inc. partners/directors)	£	85,900	71,500	62,400
	d)	Net Revenue per £ of Staff Costs (inc. partners & temporary staff)	£	1.67	1.55	1.44
Staff Productivity in Euros						
24	a)	Net Revenue per Fee Earner per year	€	128,170	116,560	97,330
	b)	Net Revenue per Fee Earner per Billed Project Hour	€	110.3	73.5	65.1
	c)	Net Revenue per Staff Member (inc. partners/directors)	€	118,300	98,500	85,900
	d)	Net Revenue per € of Staff Costs (inc. partners & temporary staff)	€	1.70	1.55	1.40
		Average Increase in Hourly Charge-out Rates from Previous Year				
25	Overall Average Increase		%	5.0	3.7	0.0
Analysis of Fee Earners' Hours as a % of Paid Hours						
26	a)	Billed Project Hours	%	85.4	74.7	65.0
	b)	Unbilled Project Hours	%	18.8	9.4	2.7
	c)	Bidding & Marketing	%	3.1	3.1	1.7
	d)	Administration	%	12.6	10.7	4.9
	e)	Training	%	2.7	2.8	1.2
	f)	Sickness	%	1.8	1.1	0.5
	g)	Other	%	-	-	-
	h)	Total Hours Worked	%		101.7	
	i)	Unpaid Overtime as % of Paid Hours	%	4.3	1.9	-
Analysis of Fee Earners' Hours per Year						
27	a)	Billed Project Hours	hrs pa	1,454	1,316	1,137
	b)	Unbilled Project Hours	hrs pa	314	165	49
	c)	Bidding & Marketing	hrs pa	56	54	28
	d)	Administration	hrs pa	227	188	82
	e)	Training	hrs pa	47	47	22
	f)	Sickness	hrs pa	30	19	9
	h)	Paid Hours Worked	hrs pa	1,819	1,757	1,673
	i)	Unpaid Overtime	hrs pa	74	34	-
	j)	Total Hours Worked	hrs pa	1,941	1,781	1,683

Table 7

STAFF TURNOVER & MARKETING COSTS				UPPER QUARTILE	AVERAGE	LOWER QUARTILE
Staff changes compared with beginning of year						
28	a)	Left voluntarily	%	22.6	18.7	10.1
	b)	Left for other reasons	%	1.1	2.0	-
	c)	Total Staff leaving	%	26.1	20.7	10.1
	d)	Total Staff joining	%	46.0	31.8	18.2
	e)	% Increase in number of Staff	%	18.1	11.1	0.5
	f)	% Increase in Total Permanent and Contract Staff	%	19.2	11.9	0.5
Marketing Costs and Work Won						
29	a)	Success Rate for Competitive Tenders	%	72.9	67.3 *	48.1
	b)	Projects Won This Year per Fee Earner	No.	14.2	8.0 *	4.3
	c)	Value of New Projects Won as a Multiple of Gross Revenue	%	1.00	0.95 *	0.40
	d)	Total Value of Order Book at Year End - Report Year	Mths	10.4	6.8 *	2.4
	e)	Total Value of Order Book at Year end - Prior Year	Mths	8.6	5.7 *	1.7
	f)	Increase/Decrease in Order Book	%	55.0	20.1 *	9.8
	g)	Total Marketing Cost including Fee Earners' time as a % of Revenue	%	4.3	2.3 *	1.4

*Median

Table 8

GROWTH IN GROSS REVENUE				UPPER QUARTILE	MEDIAN	LOWER QUARTILE
Growth in Gross Revenue compared with same quarter of previous year						
30	a)	January to March 2015	%	16.0	1.4	(9.2)
	b)	April to June 2015	%	29.2	12.8	(3.2)
	c)	July - September 2015	%	35.1	16.3	5.5
	d)	October to December 2015	%	26.7	3.7	(7.2)
	e)	January to March 2016	%	30.7	13.3	(7.0)
	f)	April to June 2016	%	39.1	23.1	5.0
Growth in Rolling 12 months Revenue compared to previous 12 months						
31	a)	12 months to December 2015 vs. 12 months to December 2014	%	12.7	8.2	3.0
	b)	12 months to March 2016 vs. 12 months to March 2015	%	17.1	9.3	5.4
	c)	12 months to June 2016 vs. 12 months to June 2015	%	24.4	12.9	6.7
Index of Revenue Growth (Jan-Mar 2014 = 100)						
32	a)	January to March 2014		100.0	100.0	100.0
	b)	April to June 2014		112.6	102.7	88.4
	c)	July - September 2014		117.0	109.5	89.4
	d)	October to December 2014		126.2	109.8	91.4
	e)	January to March 2015		116.0	101.4	90.8
	f)	April to June 2015		121.3	111.7	96.3
	g)	July - September 2015		133.3	114.1	105.6
	h)	October to December 2015		139.5	126.2	101.8
	i)	January to March 2016		122.3	114.9	87.1
	j)	April to June 2016		164.0	128.2	119.9
Debtors in terms of Average Daily Sales Average					AVERAGE	
33	a)	Less than 30 days	days	47.6	30.0	19.6
	b)	30 - 60 days	days	28.7	17.8	11.7
	c)	60 - 90 days	days	15.8	8.7	5.3
	d)	Over 90 days	days	32.4	25.4	5.2
	e)	Total Debtors	days	113.4	82.0	56.4
Prior Year Debtors in terms of Average Daily Sales					83.3	69.0

Table 9

REVENUE ANALYSIS				UPPER QUARTILE	AVERAGE	LOWER QUARTILE
Engineering Services						
34	a)	Structural	%	70.7	34.7	-
	b)	Civil	%	30.7	25.9	-
	c)	Mechanical & Electrical	%	8.5	17.5	-
	d)	Other Engineering Services	%	1.1	8.1	-
	e)	Total Engineering Services	%	100.0	86.1	88.9
	f)	Total Consultancy Services	%	0.9	12.2	-
	g)	Other Revenue	%	-	1.7	-
		Total Revenue	%	100.0	100.0	100.0
Sectors of Work						
35	a)	Transport Planning & Infrastructure	%	21.2	14.0	-
	b)	Utilities	%	4.4	11.0	-
	c)	Buildings & Property	%	100.0	60.9	24.2
	d)	Industrial	%	3.2	4.2	-
	e)	Other	%	7.1	9.9	-
		Total Revenue	%	100.0	100.0	100.0

Table 10

ANALYSIS OF LATE PAYMENTS				UPPER QUARTILE	MEDIAN	LOWER QUARTILE
Debtors in Terms of Average Days Sales						
36	a)	Public Sector Debtors	days	100	82	55
	b)	Private Sector Debtors	days	122	88	65
	Total Debtors		days	113	83	56
37	% of Turnover with Problems Getting Payment within Contract Terms		%	50	31	6
Staff Time Spent Settling Late Payment Disputes						
38	a)	Director/Partner/Senior Staff	%	5.0	3.4	1.8
	b)	Other Staff	%	5.0	4.0	2.5
39	% of Payments for which Recovery or Legal Costs were Incurred		%		1.04	
How many days after the Contractual Payment Due Date would you typically:						
40	a)	Send a Pre-action Letter	days	60	60	45
	b)	Take Legal Action	days	120	120	90
41	3rd Party Recovery and Legal Costs per million of Gross Revenue		£/€	158	302	-

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