

Oscar Faber plc

Directors' Report and Consolidated Financial Statements

31 May 2002

Registered number 1723740



Directors' report and consolidated financial statements

Contents

Directors, secretary and Company advisers	1
Directors' report	2-5
Statement of directors' responsibilities	6
Independent auditors' report to the members of Oscar Faber plc	7
Consolidated profit and loss account	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of total recognised gains and losses	11
Reconciliation of movements in shareholders' funds	11
Notes to the financial statements	12-28

Directors, secretary and Company advisers

Directors

KF Dalton - Chief Executive

SL Hodgkinson

JF Vincent

DG Fahrenheit - Finance Director

Secretary and registered office

D G Fahrenheit

Marlborough House, Upper Marlborough Road, St Albans, AL1 3UT

Advisers to the Company

Auditors

Ernst & Young LLP

Becket House, 1 Lambeth Palace Road, London, SE1 7EU

Financial Advisers

Noble Grossart Limited

48 Queen Street, Edinburgh, EH2 3NR

Bankers

Barclays Bank PLC

St Peters Street, St Albans, AL3 4DZ

Directors' report

The directors present their report and the audited financial statements for the year ended 31 May 2002.

Group activities

The Group is primarily engaged as consulting engineers, in the United Kingdom and overseas, in the design of building and civil engineering projects, the provision of consulting services in transport planning, management consultancy, facilities management, telecommunications and information technology. The Group is also involved in research in the construction industry.

During the year Oscar Faber plc was acquired by Aecom Technology Corporation, a company registered in the United States of America. On the 4 March 2002 the assets and liabilities of the principal operating company, Oscar Faber Group Limited, were acquired by Maunsell Limited, a subsidiary undertaking of Aecom Technology Corporation. On that date Maunsell Limited changed its name to FaberMaunsell Limited.

Business review

The results for the year to 31 May 2002 reflect a year of much transition and change following the acquisition of the Group by Aecom Technology Corporation in October 2001. Turnover for the year fell to £48.4m from £53.1m purely as a result of the transfer of the entire business of the principal operating company, Oscar Faber Group Limited, to a fellow subsidiary within the Aecom Group. This restructuring was undertaken to create a stronger critical mass in the UK market under the trading name of FaberMaunsell Limited. As a direct result the Group Profit before tax for Oscar Faber plc fell by £2.1m to £2.5m (2001: £4.6m).

Results and dividends

The Group profit for the year after taxation amounted to £1,810,000 (2001: £3,165,000). The directors do not recommend the payment of a dividend (2000: NIL).

Directors and directors' interests

The current directors are set out on page 1. Directors who were appointed or have resigned since 1 June 2001 are detailed below:

Mr JF Vincent was appointed as a director on 1 June 2001.

Mr DG Fahrenheit was appointed as a director on 1 June 2001.

Directors' report (continued)

Directors' interests (continued)

No director has any interest in the shares of the Company.

The directors who held office at 31 May 2002 had the following interests in the shares of the holding company, Oscar Faber plc according to the register of directors' interests:

	Oscar Faber plc	Oscar Faber plc
	Number of shares	Number of shares
	At 31 May 2002	At 31 May 2001
	10p Ordinary	10p Ordinary
KF Dalton	-	111,150
SL Hodgkinson	-	102,700
JF Vincent	-	10,800
DG Fahrenheit	-	9,300

According to the register of directors' interests no rights to subscribe for shares in group companies were granted to any of the directors or their immediate families, or exercised by them, during the financial year except as indicated below:

		At 31 May 2002	Options granted / (exercised) or (converted) during year	At 1 June 2001
K F Dalton	1999 options	-	(10,000)	10,000
	2000 options	-	(1,500)	1,500
S L Hodgkinson	1999 options	-	(10,000)	10,000
	2000 options	-	(1,500)	1,500
JF Vincent	1999 options	-	(3,000)	3,000
	2000 options	-	(1,500)	1,500
DG Fahrenheit	1999 options	-	(3,000)	3,000
	2000 options	-	(1,500)	1,500

Directors' report *(continued)*

Directors' interests *(continued)*

The above options were held under an approved executive share option scheme and prior to 15 October 2001 related to ordinary shares in Oscar Faber plc. On the 15 October 2001, Aecom Technology Corporation acquired Oscar Faber plc and options held at that date were converted into Aecom Technology shares at the rate of 2.98 Aecom shares for each option held in Oscar Faber plc. The 1999 options are exercisable during the period 30 September 2002 to 30 September 2004 at an option price of £1.24 per share. 2000 options are exercisable during the period 30 September 2003 to 30 September 2005 at an option price of £2.80 per share. All options granted during the year were for shares in Aecom Technology Corporation and are exercisable during the period 15 November 2002 to 15 November 2008 at pre-determined percentages over a period of five years at an option price of US\$16.72 per share.

On the 12 October 2001 both KF Dalton and SL Hodgkinson exercised their 1999 and 2000 options to subscribe for shares in Oscar Faber plc. No formal share valuation was undertaken at the date of exercise although the shares were valued at £33.67 at the date the Group was acquired by Aecom Technology Corporation on the 15 October 2001.

No options lapsed during the period.

Purchase of own shares

During the year the Oscar Faber Employee Share Trust disposed of 60,482 unallocated 10p Ordinary shares of Oscar Faber plc yielding proceeds of £1,061,445 and a profit on sale of £789,000. The 171,620 10p Ordinary shares held by the Trust at the date of acquisition of the Group by Aecom Technology Corporation were converted into AECOM Common Stock at that date. The majority of these shares have been set aside for purchase under the approved and unapproved executive share option schemes and the approved savings related share option scheme.

Charitable and political contributions

During the year, the Group made charitable donations of £35,000 (2001: £40,000). No political contributions were made during the year (2001: £Nil).

Policy on payment of suppliers

It is the Group's policy to pay suppliers in accordance with the credit terms agreed in advance with individual suppliers. At the year-end there were 3 days (2001: 37 days) purchases in trade creditors.

Employment policies

Oscar Faber recognises that effective policy and practice are a means of maximising the use of resources in the organisation and in employees' best interests. It is the Group's policy to ensure that all applicants and employees receive equal treatment for selection, training and promotion regardless of their disability, race, ethnic or national origins, colour, sex, age, marital status or religious beliefs. Wherever possible, the Group will continue the employment of persons who become disabled during the course of their employment with the Group through retraining, acquisition of special aids and equipment or the provision of suitable alternative equipment.

Directors' report (continued)


Employee involvement

The directors recognise the benefits which accrue from keeping employees informed on the progress of the Group, particularly in the light of their involvement in the savings related share option scheme. The Group involves employees in the communication process through annual roadshows, staff meetings, HR update sessions, the Group in-house magazine and the Intranet system. The Group encourages and listens to feedback from individuals using annual staff surveys where the results are published.

Auditors

Ernst & Young LLP were appointed auditors during the year. A resolution proposing the re-appointment of Ernst & Young LLP as auditors of the company will be put to the forthcoming Annual General Meeting.

By order of the board



D G Fahrenheit
Secretary

31 March 2003
Marlborough House
Upper Marlborough Road
St Albans
Herts
AL1 3UT

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Oscar Faber plc

We have audited the company's financial statements for the year ended 31 May 2002 which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Total Recognised Gains and Losses, Reconciliations of Movements in Shareholders' Funds and the related notes 1 to 24. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

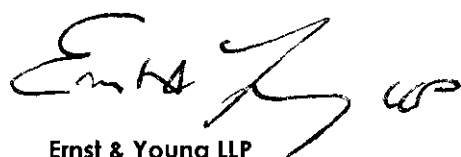
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 May 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditors
London

Date: 31 March 2003

Consolidated profit and loss account
 for the year ended 31 May 2002

	Note	2002 Discontinued operations £000	2001 £000
Group turnover	2	48,481	53,110
Staff costs	3	(26,628)	(28,358)
Depreciation	10	(686)	(820)
Other operating charges		(18,299)	(19,311)
Group operating profit		2,868	4,621
Amounts written off investments		1	-
Profit from the sale of shares held in Oscar Faber plc		790	117
Goodwill written off	11	(342)	(159)
Profit on ordinary activities before interest and taxation		3,317	4,579
Other interest receivable and similar income	6	100	113
Interest payable and similar charges	7	(75)	(67)
Profit on ordinary activities before taxation		3,342	4,625
Taxation on profit on ordinary activities	8	(730)	(1,460)
Profit for the financial year		2,612	3,165
Dividends	9	-	-
Retained profit for the group	18	2,612	3,165

Notes 1 to 24 form part of the financial statements

Consolidated balance sheet at 31 May 2002

	Note	2002 £000	2001 £000
Fixed assets			
Tangible assets	10	62	2,109
Investments	11	648	920
		<u>710</u>	<u>3,029</u>
Current assets			
Debtors	12	10,426	15,471
Cash at bank and in hand		1,190	5,003
		<u>11,616</u>	<u>20,474</u>
Creditors: amounts falling due within one year	14	<u>(1,683)</u>	<u>(14,057)</u>
Net current assets		<u>9,933</u>	<u>6,417</u>
Total assets less current liabilities		<u>10,643</u>	<u>9,446</u>
Creditors: amounts falling due after more than one year	15	-	(149)
Provisions for liabilities and charges	16	<u>(36)</u>	<u>(1,286)</u>
Net assets		<u>10,607</u>	<u>8,011</u>
Capital and reserves			
Called up share capital	17	83	83
Capital reserve		170	170
Capital redemption reserve		23	23
Profit and loss account	18	10,331	7,735
Equity shareholders' funds		<u>10,607</u>	<u>8,011</u>

These financial statements were approved by the board of directors on 31 March 2003 and were signed on its behalf by:



KF Dalton
Director



DG Fahrenheim
Director

Company balance sheet at 31 May 2002

	Note	2002 £000	2001 £000
Fixed assets			
Investments	11	2,754	2,683
Current assets			
Debtors	12	580	931
Cash at bank and in hand		950	7
		<u>1,530</u>	<u>938</u>
Creditors: amounts falling due within one year	14	<u>(1,065)</u>	<u>(1,221)</u>
Net current liabilities		465	(283)
Total assets less current liabilities		3,219	2,400
Net assets		3,219	2,400
Capital and reserves			
Called up share capital	17	83	83
Capital redemption reserve		23	23
Profit and loss account	18	3,113	2,294
Equity shareholders' funds		3,219	2,400

These financial statements were approved by the board of directors on 31 March 2003 and were signed on its behalf by:

K.F. Dalton

KF Dalton
Director

DG Fahrenheit

DG Fahrenheit
Director

Consolidated statement of total recognised gains and losses
for the year ended 31 May 2002

	2002 £000	2001 £000
Profit for the financial year	2,612	3,165
Currency translation differences on the retranslation of net investments	(16)	(2)
	<hr/>	<hr/>
Total of recognised gains and losses relating to the financial year	2,596	3,163
	<hr/>	<hr/>

Reconciliations of movements in shareholders' funds
for the year ended 31 May 2002

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
Profit for the financial year	2,612	3,165	819	219
	<hr/>	<hr/>	<hr/>	<hr/>
	2,612	3,165	819	219
Currency translation differences	(16)	(2)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase in shareholders' funds	2,596	3,163	819	219
Opening shareholders' funds	8,011	4,848	2,400	2,181
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	10,607	8,011	3,219	2,400
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of certain fixed assets.

Basis of consolidation

The Group financial statements consolidate the financial statements of Oscar Faber plc and its subsidiary undertakings for the year ended 31 May 2002. The acquisitions method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account. The consolidated financial statements are based on financial statements of subsidiary undertakings and associated undertakings which are coterminous with those of the parent company.

The Company and its subsidiary undertakings are exempt from the requirement of Financial Reporting Standard No.1 to prepare a cash flow statement as it is a subsidiary undertaking where 100% of the voting rights are controlled by its parent company, Aecom UK Limited, whose accounts are publicly available.

As the company is a wholly owned subsidiary of Aecom UK Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities that form part of the group.

Goodwill

Purchased goodwill (both positive and negative) arising on business combination in respect of acquisitions before 1 June 1998, when FRS 10 *Goodwill and intangible assets* was adopted, is written off to reserves in the year of acquisition. When the directors consider that there has been a permanent diminution in value the amount is written off through the profit and loss account. Where a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 June 1998 is capitalised and amortised to nil by equal annual instalments over its estimated useful life.

Turnover

Turnover represents fees invoiced and the value of the work done on completed and partially completed contracts and out of pocket expenses recoverable, net of value added tax.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets

Depreciation is provided by the Group to write off the cost or valuation less the estimated residual value of tangible fixed assets on a straight line basis over their estimated useful lives as follows:

Improvements to short leasehold properties	-	period of lease
Motor vehicles	-	4 years
Furniture and equipment	-	3-10 years

Fixed asset investments

Fixed asset investments are stated at cost less provisions for any permanent diminution in value.

Leases

Fixed assets acquired under finance leases and hire purchase agreements are capitalised and the related leasing obligations included in creditors. Finance lease payments are treated as consisting of capital and interest elements with the interest being charged to the profit and loss account.

All operating lease rentals are charged through the profit and loss account on a straight line basis over the life of the lease.

Research and Development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Provision is made for losses as soon as they are foreseen. Work in progress on long-term contracts is calculated at cost, plus attributable profit to the extent that this is reasonably certain after making provision for contingencies, less any losses incurred or foreseen in bringing contracts to completion, and less fees received or receivable on account. Cost for this purpose includes overheads related to design.

In accordance with SSAP 9, long-term work in progress is included in debtors as amounts recoverable on contracts. For any contracts where receipts plus receivables exceed the book value of work done, the excess is included in creditors as payments received on account.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Taxation and deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Provisions for annuities

Full provision has been made to cover the expected future liability owing in respect of annuities payable to past partners of the Oscar Faber Partnership, although the annuities are not guaranteed.

Foreign currencies

Monetary assets and liabilities in foreign currencies have been translated into sterling at the rate of exchange ruling at 31 May 2002. Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the relevant date. The resultant currency adjustments have been taken to the profit and loss account.

Where subsidiaries' financial statements were originally expressed in a foreign currency, they have been translated using the closing rate method. The gains and losses arising on these translations are taken to reserves.

Pensions

The Group operates a pension scheme for Group companies which is administered by trustees and is independent of the Group's finances. Contributions are paid to the scheme with the approval of independent actuaries and advisers. Contributions are charged against profits in the year to which they relate in accordance with the provisions of SSAP 24.

Employee Share Trust

The cost of awards to employees that take the form of shares or rights to shares are recognised over the period of the employees' related performance. Where there are no performance criteria, the cost is recognised when that employee becomes unconditionally entitled to the shares. In determining the cost of shares sold the weighted average purchase price is applied.

Notes to the financial statements *(continued)*

2 Segmental information

Analysis by geographical origin

	Turnover		Operating profit		Net assets	
	2002 £000	2001 £000	2002 £000	2001 £000	2002 £000	2001 £000
United Kingdom and Europe	47,226	51,387	2,834	4,381	8,856	7,035
Asia	1,255	1,723	34	240	949	976
	48,481	53,110	2,868	4,621	9,805	8,011

Amounts written off investments	1	-
Profit from the sale of shares held in Oscar Faber plc	790	117
Goodwill written off	(342)	(159)
Net interest receivable	25	46
Profit on ordinary activities before taxation	3,342	4,625

Analysis of turnover by geographical market

	2002 £000	2001 £000
United Kingdom	46,017	49,654
Rest of Europe	1,043	1,482
Asia	1,255	1,723
Other	166	251
	48,481	53,110

All turnover is derived from the provision of consultancy services.

Notes to the financial statements (continued)

3 Staff numbers and costs

The average weekly number of persons (including directors) employed by the Group during the year, analysed by category, was as follows:

	2002 Number of employees	2001 Number of employees
Management	44	49
Technical	871	712
Administration	193	172
	<hr/>	<hr/>
	1,108	933
	<hr/>	<hr/>

Of the number included in Technical above, 57 (2001: 58) were employed under short-term contracts.

The aggregate payroll costs of all employees were as follows:

	2002 £000	2001 £000
Wages and salaries	23,093	25,177
Social security costs	1,950	1,918
Other pension costs	1,432	1,162
Company contributions to money purchase scheme	153	101
	<hr/>	<hr/>
	26,628	28,358
	<hr/>	<hr/>

4 Remuneration of directors

	2002 £000	2001 £000
Directors emoluments	424	518
	<hr/>	<hr/>
	424	518
	<hr/>	<hr/>

The emoluments, excluding pension contributions of the highest paid director were £145,000 (2001: £215,000). He is a member of a defined benefit scheme, under which his accrued pension at the year end was £39,000 (2001: £35,000), and his accrued lump sum was £Nil (2001: £Nil). The Group made contributions of £Nil (2001: £24,000) into a funded unapproved retirement benefit scheme of which the highest paid director is the sole beneficiary.

Notes to the financial statements (continued)

4 Remuneration of directors (continued)

Retirement benefits are accruing to the following number of directors under:

	Number of directors	
	2002	2001
Money purchase schemes	1	1
Defined benefit schemes	4	3

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2002 £000	2001 £000
Auditors' remuneration:		
Group		
audit fees – current year	44	47
other services	22	42
<i>Included within the above are fees payable in respect of Oscar Faber plc</i>		
audit fees – current year	5	4
other services	-	10
Depreciation and other amounts written off tangible fixed assets		
Owned	559	562
Leased	127	258
Operating lease charges - other	2,133	1,831
Exchange (Profits) / Losses	(9)	11
Loss / (Profit) on sale of tangible fixed assets	(1)	29

6 Interest receivable and similar income

	2002 £000	2001 £000
Bank interest receivable	100	113

Notes to the financial statements (continued)

7 Interest payable and similar charges

	2002 £000	2001 £000
On bank loans and overdrafts	64	42
Finance charges payable in respect of finance lease and hire purchase contracts	11	25
	<u>75</u>	<u>67</u>

8 Taxation

(a) Current Tax

	2002 £000	2001 £000
UK Corporation tax at 30% (2001: 30%):		
- Current tax on income for the period	730	1,445
- Double taxation relief	-	(69)
Overseas tax	-	82
Adjustments in respect of prior periods	-	2
	<u>730</u>	<u>1,460</u>

(b) Factors affecting tax charge for the period

	2002 £000	2001 £000
Profit on ordinary activities before taxation	<u>3,342</u>	<u>4,625</u>
Taxation at 30% on ordinary activities	1,003	1,388
Effects of:		
Expenses not deductible for tax purposes	128	179
Accelerated capital allowances	-	(21)
Decelerated capital allowances	19	-
Group relief	(275)	-
SSAP24 Provision not allowed for tax purposes	-	(86)
Short term timing differences	6	(90)
Non taxable items	(151)	75
	<u>730</u>	<u>1,445</u>

(c) Factors that may affect future tax charges

On the 4 March 2002 the assets and liabilities of the major subsidiary company were transferred to a fellow subsidiary and since that date that company has been dormant, therefore it is anticipated that there will be no future tax charge.

Notes to the financial statements (continued)

9 Dividend payable

	2002 £000	2001 £000
Final dividend proposed NILp per share (2001: NILp)	-	-

10 Tangible fixed assets

Group

	Improvements to short leasehold properties £000	Furniture & equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 June 2001	749	6,803	18	7,570
Additions	64	619	-	683
Acquisition of subsidiary undertaking	-	34	-	34
Disposals	(11)	(415)	-	(426)
Transferred to fellow subsidiary	(760)	(6,832)	(18)	(7,610)
At 31 May 2002	42	209	-	251
Depreciation				
At 1 June 2001	256	5,189	16	5,461
Charge for the year	74	610	2	686
Acquisition of subsidiary undertaking	-	21	-	21
Released on disposal	(11)	(410)	-	(421)
Transferred to fellow subsidiary	(286)	(5,254)	(18)	(5,558)
At 31 May 2002	33	156	-	189
Net book value				
At 31 May 2002	9	53	-	62
At 31 May 2001	493	1,614	2	2,109

Included in the total net book value of furniture and equipment at the date of transfer is £169,000 (2001: £297,000) in respect of assets held under finance leases. The depreciation for the period prior to the transfer of these assets was £127,000 (2001: £258,000).

Notes to the financial statements (continued)

11 Fixed asset investments

	Group £000	Company £000
At 1 June 2001	920	2,683
Additions	-	343
Disposals	(272)	(272)
	<hr/>	<hr/>
At 31 May 2002	648	2,754
	<hr/>	<hr/>
Being shares held in group undertakings	-	2,106
Investment in Aecom Technology Corporation shares held by The Employee Share Trust	648	648
	<hr/>	<hr/>
	648	2,754
	<hr/>	<hr/>

Investment in Aecom Technology Corporation shares

Investments include £648,246 (2001: £920,000) relating to 144,138 unallocated shares in Aecom Technology Corporation common stock (2001: 204,620 unallocated 10p ordinary shares of Oscar Faber plc) acquired and valued by the Oscar Faber Employee Share Trust at cost. The market value of this investment at 31 May 2002 is £1,951,628. Options over these shares in Aecom Technology Corporation have been granted to the former employees of Oscar Faber Group Limited. The 1999 options are exercisable during the period 30 September 2002 to 30 September 2004 at an option price of £1.24 per share. 2000 options are exercisable during the period 30 September 2003 to 30 September 2005 at an option price of £2.80 per share. All options granted during the year were for shares in Aecom Technology Corporation and are exercisable during the period 15 November 2002 to 15 November 2008 at pre-determined percentages over a period of five years at an option price of US\$16.72 per share.

Dividends on the shares owned by the Trust are recorded by the trust on a cash basis. All expenses incurred by the trust are settled directly by Oscar Faber plc and charged in the financial statements as incurred.

Notes to the financial statements (continued)

11 Fixed asset investments (continued)

Acquisition during the year

On 31 August 2001, Oscar Faber plc acquired 100% of the share capital of ECD Energy & Environment Limited. The resulting goodwill of £342,000 has been written off to the profit and loss account during the year. The acquisition has been accounted for under the acquisition method of accounting. ECD Energy & Environment Limited did not contribute a significant level towards the Group's turnover or profit in this financial year and therefore has not been separately disclosed in the consolidated profit and loss account.

	Fair and book value	
	£000	£000
Fixed assets		
Tangible assets		13
Current assets		
Debtors	179	
Cash at bank and in hand	9	
	<hr/>	
	188	
Creditors: amounts falling due within one year	(201)	
	<hr/>	
Net current liabilities		(13)
		<hr/>
Net assets		-
		<hr/>
Purchase consideration		342
		<hr/>
Goodwill		342
		<hr/>

Notes to the financial statements (continued)

11 Fixed asset investments (continued)

In the opinion of the directors the investments in subsidiaries are worth at least the amounts at which they are stated in the balance sheet. The principal subsidiaries (wholly owned unless otherwise stated) are as follows:

	Country of Registration or incorporation	Principal Activity
Oscar Faber Group Limited	England	Consulting engineers
Oscar Faber Consultants Pte Limited	Singapore	Consulting engineers
Oscar Faber Asia Pte Limited	Singapore	Investment holding company
Oscar Faber (USA) Inc.	USA	Investment holding company
Oscar Faber (International) Limited	Jersey	Investment holding company
Oscar Faber (Middle East) Limited*	Cyprus	Consulting engineers
Oscar Faber Services Limited**	England	Consulting engineers
Oscar Faber Consult Limited	England	Consulting engineers
FACET Limited**	England	Software sales and services
Oscar Faber Consulting Engineers Limited**	England	Consulting engineers
Oscar Faber TPA Limited**	Scotland	Transportation consultants
Energy Procurement & Design Limited**	England	Consulting engineers
ECD Energy & Environment Limited**	England	Consulting engineers
Oscar Faber Trustees Limited**	England	Trustee company

* Indirect subsidiary holding held by Oscar Faber (International) Limited

** Dormant companies

Oscar Faber plc holds 100% of the ordinary voting shares in each of the above subsidiaries with the exception of Oscar Faber (Middle East) Limited in which Oscar Faber (International) Limited holds 100% of the ordinary voting shares.

Notes to the financial statements (continued)

12 Debtors

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Trade debtors	305	9,799	-	-
Amounts recoverable on long term contracts	465	5,106	-	-
Other debtors	40	241	-	-
Prepayments and accrued income	3	325	1	1
Amounts owed by other subsidiaries of Aecom Technology Corporation	9,613	-	579	930
	<u>10,426</u>	<u>15,471</u>	<u>580</u>	<u>931</u>

13 Deferred taxation

The amounts recognised in respect of deferred taxation and the amounts not recognised are shown below:

Group

	Recognised	Unrecognised	Recognised	Unrecognised
	2002	2002	2001	2001
	£000	£000	£000	£000
Annuity provision	-	-	-	160
On SSAP 24 pension provision	-	-	-	(50)
Differences between accumulated depreciation and capital allowances	-	-	-	143
Other short term timing differences	-	-	-	57
	<u>-</u>	<u>-</u>	<u>-</u>	<u>310</u>
Asset	-	-	-	310

Company

The company has no recognised or unrecognised deferred tax assets or liabilities

Notes to the financial statements (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Bank loans and overdrafts	540	680	540	680
Obligations under finance leases and hire purchase contracts	-	156	-	-
Payments received on account	-	5,543	-	-
Trade creditors	133	1,936	-	-
Amounts owed to Faber Maunsell Limited	846	-	464	458
Taxation and social security	96	2,317	59	80
Other creditors	13	378	-	-
Accruals and deferred income	55	2,959	2	3
Annuities, due within one year	-	88	-	-
Dividend proposed	-	-	-	-
	<u>1,683</u>	<u>14,057</u>	<u>1,065</u>	<u>1,221</u>

All bank loans and overdrafts are secured by a fixed charge on all book debts and a floating charge over the whole of the other assets of Oscar Faber Plc and other Group companies.

The Company has entered into a cross-guarantee arrangement with the Group's bankers whereby it guarantees the amounts owed to the bank by subsidiary companies.

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Obligations under finance leases and hire purchase contracts	-	149	-	-
	<u>-</u>	<u>149</u>	<u>-</u>	<u>-</u>

Notes to the financial statements *(continued)*

15 Creditors: amounts falling due after more than one year *(continued)*

Amounts due under hire purchase agreements are as follows:-

	2002 £000	2001 £000
Up to one year	-	171
Two to five years	-	158
	<hr/>	<hr/>
	-	329
Less: future finance charges	-	(24)
	<hr/>	<hr/>
	-	305
	<hr/>	<hr/>
Due within one year	-	156
Due after more than one year	-	149
	<hr/>	<hr/>
	-	305
	<hr/>	<hr/>

16 Provisions for liabilities and charges

Group	Annuities due after more than one year £000	Claims and losses on contracts £000	Pension Provision £000	Total £000
At beginning of year	444	842	-	1,286
Utilised in year	-	(2)	-	(2)
Transferred to fellow subsidiary	(444)	(804)	-	(1,248)
Profit and loss account:				
Additional provisions	-	-	-	-
Provisions written back	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	36	-	36
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements *(continued)*

16 Provisions for liabilities and charges *(continued)*

Annuities

Full provision has been made to cover the expected future liability arising in respect of annuities payable to past partners of the Oscar Faber Partnership, although the annuities are not guaranteed.

Claims and losses on contracts

Provision is made for any losses and claims against specific contracts, in bringing contracts to completion, as soon as they can be foreseen with reasonable certainty.

Pension Provision

Company pension contributions are charged against the profit and loss account in accordance with the provisions of SSAP24. The prepayment has been calculated by the Company's independent pension advisors. See note 19.

17 Called up share capital

Group and Company	2002 £000	2001 £000
Authorised		
Equity: 2,250,000 ordinary shares of 10p each	225	225
	<hr/>	<hr/>
	225	225
	<hr/>	<hr/>
Allotted, called up and fully paid		
Equity: 828,570 ordinary shares of 10p each	83	83
	<hr/>	<hr/>
	83	83
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

18 Profit and loss account

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
At beginning of year	7,735	4,572	2,294	2,075
Retained profit for the year	2,612	3,165	819	219
Currency translation differences	(16)	(2)	-	-
At end of year	10,331	7,735	3,113	2,294

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company has not been separately presented in these financial statements. The profit after taxation for the year dealt with in the financial statements of the Company was £819,000 (2001: Profit £219,000).

19 Pension scheme

With effect from 4 March 2002 all employees of Oscar Faber Group Limited were transferred to FaberMaunsell Limited. Both companies are subsidiary undertakings of Aecom Technology Corporation. Consequently the Oscar Faber Pension Fund ceased to have any current members who were employees of Oscar Faber Group Limited. Therefore, disclosure in respect of SSAP 24 and FRS17 has not been prepared for these financial statements. The required disclosure for the Oscar Faber Pension Fund appears in the financial statements for FaberMaunsell Limited for the year to 27 September 2002.

Notes to the financial statements *(continued)*

20 Lease obligations and other financial commitments

The Group has the following annual commitments under non-cancellable operating leases which expire:

Group

	2002		2001	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	61	-	99	89
Two to five years	-	-	294	436
Over five years	-	-	813	-
	<u>61</u>	<u>-</u>	<u>1,206</u>	<u>525</u>

Capital commitments at the end of the financial year for which no provision has been made amounted to £NIL (2001: £34,000).

Company

The company has no annual commitments under non-cancellable operating leases. The company has no unprovided capital commitments at the end of the year.

24 Parent undertaking and controlling party

The immediate parent undertaking of Oscar Faber plc is Aecom UK Limited, a company incorporated in England and Wales. Copies of the financial statements of the immediate parent are available from its registered office: Marlborough House, Upper Marlborough Road, St Albans, Herts AL1 3UT.

In the director's opinion the company's ultimate parent undertaking and controlling party is Aecom Technology Corporation, which is incorporated in the United States of America. Copies of the group financial statements, which include the company, are available from its registered office: 555 South Flower Street, Suite 3700, Los Angeles, CA 90071, USA.