



Registration number 2005673

richardson groves

Accountants, Business and Tax Consultants

Buro Happold Consulting Engineers Limited

Directors' report and financial statements

for the year ended 30 April 2004



Buro Happold Consulting Engineers Limited

Company information

Directors	J Morrison M G T Dickson T A Ealey J E Pugh P Dalglish P Kelly
Secretary	T A Ealey
Company number	2005673
Registered office	Camden Mill Lower Bristol Road Bath BA2 3DQ
Auditors	Richardson Groves Cleveland House Sydney Road Bath BA2 6NR
Bankers	National Westminster Bank Plc 280 Bishopsgate London EC2M 4RB

Buro Happold Consulting Engineers Limited

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Buro Happold Consulting Engineers Limited

Directors' report for the year ended 30 April 2004

The directors present their report and the financial statements for the year ended 30 April 2004.

Principal activity and review of the business

The principal activity of the company continues to be that of the provision of consulting engineers providing professional design and advisory services to the property and construction sectors.

Results and dividends

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £600,000 and they do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/04/04	01/05/03
J Morrison	-	-
M G T Dickson	-	-
T A Ealey	-	-
J E Pugh	-	-
P Dalglish	-	-
P Kelly	-	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

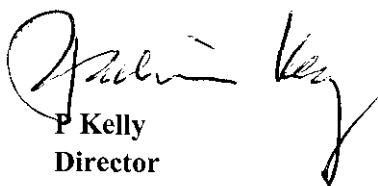
Buro Happold Consulting Engineers Limited

**Directors' report
for the year ended 30 April 2004**

Auditors

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Richardson Groves will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 26 January 2005
and signed on its behalf by


P Kelly
Director

Buro Happold Consulting Engineers Limited

Independent auditors' report to the shareholders of Buro Happold Consulting Engineers Limited

We have audited the financial statements of Buro Happold Consulting Engineers Limited for the year ended 30 April 2004 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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.

Buro Happold Consulting Engineers Limited

Independent auditors' report to the shareholders of Buro Happold Consulting Engineers Limited


Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Richardson Groves
Registered Auditor**

**Cleveland House
Sydney Road
Bath
BA2 6NR**



Buro Happold Consulting Engineers Limited

**Profit and loss account
for the year ended 30 April 2004**

Continuing operations

		2004	2003
	Notes	£	£
Turnover	2	2,132,650	2,356,358
Administrative expenses		(1,862,226)	(2,316,772)
Operating profit	3	270,424	39,586
Interest payable and similar charges	4	(92)	-
Profit on ordinary activities before taxation		270,332	39,586
Tax on profit on ordinary activities	6	(64,524)	(7,482)
Profit on ordinary activities after taxation		205,808	32,104
Dividends	7	(600,000)	-
(Loss)/retained profit for the year		(394,192)	32,104
Retained profit brought forward		435,934	403,830
Retained profit carried forward		41,742	435,934

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 14 form an integral part of these financial statements.

Buro Happold Consulting Engineers Limited

Balance sheet as at 30 April 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		32,713		31,499
Current assets					
Debtors	9	1,804,948		6,420,503	
Cash at bank and in hand		27,799		62,757	
		<u>1,832,747</u>		<u>6,483,260</u>	
Creditors: amounts falling due within one year	10	<u>(1,325,501)</u>		<u>(5,580,875)</u>	
Net current assets			<u>507,246</u>		<u>902,385</u>
Total assets less current liabilities			<u>539,959</u>		<u>933,884</u>
Provisions for liabilities and charges	11		<u>1,783</u>		<u>2,050</u>
Net assets			<u><u>541,742</u></u>		<u><u>935,934</u></u>
Capital and reserves					
Called up share capital	13		500,000		500,000
Profit and loss account			<u>41,742</u>		<u>435,934</u>
Equity shareholders' funds	14		<u><u>541,742</u></u>		<u><u>935,934</u></u>

The financial statements were approved by the Board on 26 January 2005 and signed on its behalf

by


P Kelly
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents fees earned in respect of work carried out in the year which falls within the company's ordinary activities, stated net of value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% Straight Line
Motor vehicles	- 25% Straight Line

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Long term contracts

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after anticipated future losses on contracts, less amounts received and receivable as progress payments on account. Excess invoicing is included in creditors as payments on account.

1.6. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. All differences are taken to the Profit and Loss account.

1.7. Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2004

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Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

1.8 Cash flow statement

Under FRS1 (Revised 1996) the company is exempt from the requirement to prepare a cashflow statement. Exemption is on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of the immediate parent company which are available to the public.

Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2004**

..... continued

2. Turnover

	2004	2003
Geographical market		
Europe	-	150,000
Rest of the World	2,132,650	2,206,358
	<u>2,132,650</u>	<u>2,356,358</u>

All of the company's turnover comes from the provision of consulting engineering services. The split of profits before tax and net assets attributable to different geographical markets has not been disclosed as the directors consider such disclosure to be seriously prejudicial to the interests of the company.

3. Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	12,166	12,118
Loss on foreign currencies	10,037	2,854
Operating lease rentals		
- Land and buildings	189,793	211,810
Auditors' remuneration	-	-
	<u>-</u>	<u>-</u>

4. Interest payable and similar charges

	2004	2003
	£	£
On bank loans and overdrafts	92	-
	<u>92</u>	<u>-</u>

Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2004**

..... continued

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2004	2003
Technical staff	12	12
Administration staff	5	5
	<u>17</u>	<u>17</u>

Employment costs

	2004	2003
	£	£
Wages and salaries	<u>326,797</u>	<u>320,949</u>

Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2004**

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2004	2003
	£	£
Current tax		
UK corporation tax	81,963	8,149
Prior period adjustments	(22,206)	579
Group relief	-	(2,449)
	<u>59,757</u>	<u>6,279</u>
Overseas tax	4,500	469
Total current tax charge	<u>64,257</u>	<u>6,748</u>
Deferred tax		
Timing differences, origination and reversal	267	734
Total deferred tax	<u>267</u>	<u>734</u>
Tax on profit on ordinary activities	<u>64,524</u>	<u>7,482</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2004	2003
	£	£
Profit on ordinary activities before taxation	<u>270,332</u>	<u>39,586</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2003 : 19%)	81,100	7,521
Expenses not deductible for tax purposes	1,286	950
Capital allowances for period in excess of depreciation	(423)	(376)
Adjustments to tax charge in respect of previous periods	(22,206)	579
Overseas tax	4,500	469
Group relief	-	(2,395)
Current tax charge for period	<u>64,257</u>	<u>6,748</u>

Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2004**

..... continued

7.	Dividends	2004	2003
		£	£
	Dividends on equity shares:		
	Ordinary shares - interim paid	600,000	-

8.	Tangible fixed assets	Fixtures, fittings and equipment	Motor vehicles	Total
		£	£	£
	Cost			
	At 1 May 2003	84,508	60,139	144,647
	Additions	-	13,380	13,380
	At 30 April 2004	84,508	73,519	158,027
	Depreciation			
	At 1 May 2003	57,009	56,139	113,148
	Charge for the year	10,166	2,000	12,166
	At 30 April 2004	67,175	58,139	125,314
	Net book values			
	At 30 April 2004	17,333	15,380	32,713
	At 30 April 2003	27,499	4,000	31,499

9.	Debtors	2004	2003
		£	£
	Trade debtors	1,392,037	1,195,811
	Amounts recoverable on long term contracts	309,782	105,755
	Amounts owed by group undertakings	69,177	4,991,539
	Other debtors	31,031	114,194
	Prepayments and accrued income	2,921	13,204
		1,804,948	6,420,503

Amounts falling due after more than one year and included in debtors are:

Trade debtors	33,660	33,660
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Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2004**

..... continued

10. Creditors: amounts falling due within one year	2004 £	2003 £
Payments received on account	163,372	47,356
Trade creditors	114,039	94,104
Amounts owed to group undertaking	951,370	5,321,576
Corporation tax	81,963	-
Accruals and deferred income	14,757	117,839
	<u>1,325,501</u>	<u>5,580,875</u>

11 Provisions for liabilities and charges

	Deferred taxation (Note 12) £	Total £
At 1 May 2003	2,050	2,050
Movements in the year	(267)	(267)
At 30 April 2004	<u>1,783</u>	<u>1,783</u>

12. Provision for deferred taxation

	2004 £	2003 £
Accelerated capital allowances	(1,783)	(2,050)
Undiscounted provision for deferred tax	<u>(1,783)</u>	<u>(2,050)</u>
Provision at 1 May 2003	(2,050)	
Deferred tax charge in profit and loss account	267	
Provision at 30 April 2004	<u>(1,783)</u>	

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2004

..... continued

13. Share capital	2004 £	2003 £
Authorised equity		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid equity		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
14. Reconciliation of movements in shareholders' funds	2004 £	2003 £
Profit for the year	205,808	32,104
Dividends	(600,000)	-
	<u>(394,192)</u>	<u>32,104</u>
Opening shareholders' funds	935,934	903,830
Closing shareholders' funds	<u>541,742</u>	<u>935,934</u>

15. Financial commitments

At 30 April 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004 £	2003 £
Expiry date:		
Within one year	<u>96,464</u>	<u>120,000</u>

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2004

..... continued

16. Contingent liabilities

Guarantee

A cross composite guarantee exists between Buro Happold Consulting Engineers Ltd, Buro Happold Limited and Buro Happold Engineers Limited to secure bank borrowings.

Income tax

Income tax assessments for the Saudi Arabian Branch of Buro Happold Consulting Engineers Limited have been agreed with the Department of Zakat and Income Tax (the DZIT) up to the years ended 30 April 1999. The assessment for the years ended 30 April 2000, 2001 and 2002 have been raised by the DZIT with an aggregate tax and delay fines amounting to SR 4,400,359. The branch has appealed against these assessments which are pending with the preliminary Zakat and Tax Appeal Committee. Management is confident of a favourable outcome from the appeal process and, therefore, no provision has been made against these tax assessments in these accounts.

The declaration for the year ended 30 April 2003 has been filed with the DZIT and the final assessment has not yet been raised by the DZIT.

17. Related party transactions

The company, as a wholly owned subsidiary undertaking of Buro Happold Engineers Ltd, has taken advantage of an exemption contained in FRS 8, "Related Party Disclosures", in preparing its accounts. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated accounts of Buro Happold Engineers Ltd in which the company is included are available to the public.

18. Ultimate parent undertaking

The company's immediate parent undertaking is Buro Happold Engineers Limited, a company registered in England and Wales.

The group in which the results of the company are consolidated is that headed by Buro Happold Engineers Limited, a company registered in England and Wales. The consolidated financial statements for this company are available to the public.

The company's ultimate parent undertaking at the balance sheet date was Buro Happold Partnership, an unincorporated business based in England.