



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 2003



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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

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
<i>Profit and loss account</i>	5
Balance sheet	6
Cash flow statement	7
<i>Notes to the financial statements</i>	8 - 16

Buro Happold Consulting Engineers Limited

Directors' report for the year ended 30 April 2003

The directors present their report and the financial statements for the year ended 30 April 2003.

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.

The company has branches in Saudi Arabia, Jordan and Kuwait.

The company continued to perform well during the year. The balance sheet as detailed on page 6 shows a satisfactory position. The directors expect the company to continue to perform well in the future.

Results and dividends

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

The directors 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	
	30/04/03	01/05/02
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 2003**

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 22 January 2004 and signed on its behalf by

**T A Ealey
Secretary**

A handwritten signature in black ink, appearing to read 'T A Ealey', with a small number '2' written below it.

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 2003 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.

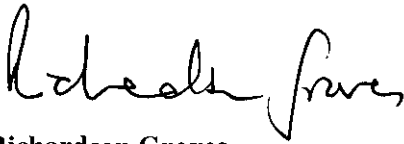
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2003 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

22 January 2004

Cleveland House
Sydney Road
Bath
BA2 6NR

Buro Happold Consulting Engineers Limited

**Profit and loss account
for the year ended 30 April 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Turnover	2	2,356,358	2,258,842
Administrative expenses		(2,316,772)	(2,204,307)
Operating profit	3	39,586	54,535
Interest payable and similar charges	4	-	(107)
Profit on ordinary activities before taxation		39,586	54,428
Tax on profit on ordinary activities	6	(7,482)	(122,400)
Retained profit/(loss) for the year		32,104	(67,972)
Retained profit brought forward		403,830	471,802
Retained profit carried forward		435,934	403,830

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

The notes on pages 8 to 16 form an integral part of these financial statements.

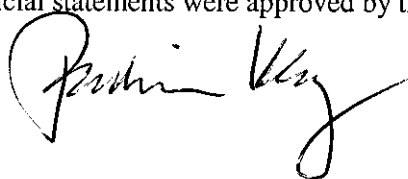
Buro Happold Consulting Engineers Limited

**Balance sheet
as at 30 April 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		31,499		19,832
Current assets					
Debtors	8	6,420,503		6,488,549	
Cash at bank and in hand		62,757		52,428	
		<u>6,483,260</u>		<u>6,540,977</u>	
Creditors: amounts falling due within one year	9	<u>(5,580,875)</u>		<u>(5,659,763)</u>	
Net current assets			<u>902,385</u>		<u>881,214</u>
Total assets less current liabilities			933,884		901,046
Provisions for liabilities and charges	10		2,050		2,784
Net assets			<u>935,934</u>		<u>903,830</u>
Capital and reserves					
Called up share capital	12		500,000		500,000
Profit and loss account			435,934		403,830
Equity shareholders' funds	13		<u>935,934</u>		<u>903,830</u>

The financial statements were approved by the Board on 22 January 2004 and signed on its behalf by

P Kelly
Director



The notes on pages 8 to 16 form an integral part of these financial statements.

Buro Happold Consulting Engineers Limited

Cash flow statement for the year ended 30 April 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		39,586	54,535
Depreciation		12,118	6,632
(Increase) in debtors		(50,245)	(85,703)
Increase in creditors		53,472	94,313
Net cash inflow from operating activities		<u>54,931</u>	<u>69,777</u>
Cash flow statement			
Net cash inflow from operating activities		54,931	69,777
Returns on investments and servicing of finance	18	-	(107)
Taxation	18	(20,817)	-
Capital expenditure	18	(23,785)	(18,191)
Increase in cash in the year		<u>10,329</u>	<u>51,479</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		10,329	51,479
Net funds at 1 May 2002		52,428	949
Net funds at 30 April 2003		<u>62,757</u>	<u>52,428</u>

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2003

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 provisions for contingencies and anticipated future losses on contracts, less amounts received and receivable. Excess invoicing is included in creditors as payments on account.

1.6. Deferred taxation

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

1.7. 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.

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2003

..... continued

2. Turnover

	2003	2002
Geographical market		
Europe	150,000	-
Rest of the World	2,206,358	2,258,842
	<u>2,356,358</u>	<u>2,258,842</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

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	12,118	9,422
Loss on foreign currencies	2,854	(51,087)
Operating lease rentals		
- Land and buildings	211,810	170,597
Auditors' remuneration	<u>22,138</u>	<u>18,094</u>
and after crediting:		
Profit on disposal of tangible fixed assets	<u>-</u>	<u>2,790</u>

4. Interest payable and similar charges

	2003 £	2002 £
On bank loans and overdrafts	<u>-</u>	<u>107</u>

Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2003**

..... continued

5. Employees

Number of employees

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

	2003	2002
Technical staff	12	16
Administration staff	5	8
	<u>17</u>	<u>24</u>

Employment costs

	2003	2002
	£	£
Wages and salaries	<u>320,949</u>	<u>520,192</u>

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2003

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax	8,149	14,069
Prior period adjustments	579	-
Group relief	(2,449)	-
	<u>6,279</u>	<u>14,069</u>
Overseas tax	469	105,000
Total current tax charge	<u>6,748</u>	<u>119,069</u>
Deferred tax		
Timing differences, origination and reversal	734	3,331
Total deferred tax	<u>734</u>	<u>3,331</u>
Tax on profit on ordinary activities	<u>7,482</u>	<u>122,400</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 (19 per cent). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>39,586</u>	<u>54,428</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 April 2002 : 30%)	7,521	16,328
Expenses not deductible for tax purposes	950	(837)
Capital allowances for period in excess of depreciation	(376)	(1,422)
Adjustments to tax charge in respect of previous periods	579	-
Overseas tax	469	105,000
Group relief	(2,395)	-
Current tax charge for period	<u>6,748</u>	<u>119,069</u>

Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2003**

..... continued

7. Tangible fixed assets	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 May 2002	60,723	60,139	120,862
Additions	23,785	-	23,785
At 30 April 2003	<u>84,508</u>	<u>60,139</u>	<u>144,647</u>
Depreciation			
At 1 May 2002	46,891	54,139	101,030
Charge for the year	10,118	2,000	12,118
At 30 April 2003	<u>57,009</u>	<u>56,139</u>	<u>113,148</u>
Net book values			
At 30 April 2003	<u>27,499</u>	<u>4,000</u>	<u>31,499</u>
At 30 April 2002	<u>13,832</u>	<u>6,000</u>	<u>19,832</u>

8. Debtors	2003 £	2002 £
Trade debtors	1,195,811	1,358,405
Amounts recoverable on long term contracts	105,755	69,820
Amounts owed by group undertakings	4,991,539	4,917,495
Other debtors	114,194	110,999
Prepayments and accrued income	13,204	31,830
	<u>6,420,503</u>	<u>6,488,549</u>

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

Trade debtors	<u>33,660</u>	<u>-</u>
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Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2003

..... continued

9. Creditors: amounts falling due within one year	2003 £	2002 £
Payments received on account	47,356	-
Trade creditors	94,104	84,524
Amounts owed to group undertaking	5,321,576	5,439,867
Corporation tax	-	14,069
Accruals and deferred income	117,839	121,303
	<u>5,580,875</u>	<u>5,659,763</u>

Security for bank facilities is given by way of a mortgage debenture dated 26 May 1993 incorporating a fixed and floating charge over all current and future assets of the company.

10 Provisions for liabilities and charges

	Deferred taxation (Note 11) £	Total £
At 1 May 2002	2,784	2,784
Movements in the year	(734)	(734)
At 30 April 2003	<u>2,050</u>	<u>2,050</u>

11. Provision for deferred taxation

	2003 £	2002 £
Accelerated capital allowances	(2,050)	(2,784)
Undiscounted provision for deferred tax	<u>(2,050)</u>	<u>(2,784)</u>
Provision at 1 May 2002	(2,784)	
Deferred tax charge in profit and loss account	734	
Provision at 30 April 2003	<u>(2,050)</u>	

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2003

..... continued

12. Share capital	2003	2002
	£	£
Authorised equity		
500,000 Ordinary shares of £1 each	500,000	500,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid equity		
500,000 Ordinary shares of £1 each	500,000	500,000
	<u> </u>	<u> </u>
13. Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit/(loss) for the year	32,104	(67,972)
Opening shareholders' funds	903,830	971,802
	<u> </u>	<u> </u>
Closing shareholders' funds	935,934	903,830
	<u> </u>	<u> </u>

14. Financial commitments

At 30 April 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
Within one year	120,000	120,000
	<u> </u>	<u> </u>

15. Contingent liabilities

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

Buro Happold Consulting Engineers Limited

Notes to the financial statements for the year ended 30 April 2003

..... continued

16. 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.

17. 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.

18. Gross cash flows

	2003	2002
	£	£
Returns on investments and servicing of finance		
Interest paid	-	(107)
Taxation		
Corporation tax paid	(20,817)	-
Capital expenditure		
Payments to acquire tangible assets	(23,785)	(20,981)
Receipts from sales of tangible assets	-	2,790
	<u>(23,785)</u>	<u>(18,191)</u>

Buro Happold Consulting Engineers Limited

**Notes to the financial statements
for the year ended 30 April 2003**

..... continued

19. Analysis of changes in net debt

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	52,428	10,329	62,757
Net debt	<u>52,428</u>	<u>10,329</u>	<u>62,757</u>