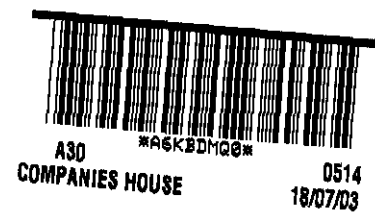


Registered number
2710265

Bennetts Associates Limited

Abbreviated Accounts

31 May 2002



Bennetts Associates Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Independent auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9

Bennetts Associates Limited
Company Information

Directors

Ms D Bennetts
Mr R J Bennetts
Miss J M Pitfield

Secretary

Ms D Bennetts

Auditors

Haxton & Co
Central House
124 High Street
Hampton Hill
Middlesex
TW12 1NS

Bankers

AIB Group (UK) plc
629/635 Holloway Road
London
N19 5SU

Registered office

1 Rawstorne Place
London
EC1V 7NL

Registered number

2710265

Bennetts Associates Limited

Directors' Report

The directors present their report and accounts for the year ended 31 May 2002.

Principal activities

The company's principal activity during the year continued to be that of architects.

Results, review and future developments

The profit for the year, after taxation, amounted to £6060, following a decrease in turnover. The directors propose a final dividend of £418,000.

The financial year 2001/2002 was unlike any other year in Bennetts Associates existence.

Property

The lease on the existing offices was due to expire, and larger premises to accommodate an increased workforce were required. An opportunity became available to purchase and redevelop Rawstorne Place. The financial statements reflect the costs involved. Inevitably there was a substantial amount of disruption to the business while this was being carried out. The office had to be moved in two tranches, but we are now well ensconced in the building and are proud to have received an RIBA award for the design.

Dividends

The business plan review set into motion the discussions on succession planning. The opportunity afforded in the purchase of the property allowed the founding shareholders to evaluate their contribution to the success of the business by prudent policies adopted in the past and extract by way of dividends and one off pension contribution sufficient funds to purchase the property from the company (note 8 refers).

Taxation

The complexity of the capital expenditure, and the moving from a small to a medium company status meant that the tax position for the previous year was delayed in being finalised (note 7 refers).

Computers

The financial year coincided with the first part of a new IT strategy within the firm, in response to an industry led change from Apple Macs to PC's for architects. The budget in the ensuing year has been reduced to reflect market forces.

Workload

The development of Bennetts Associates over the previous three years was reflected in a large volume of work that was under construction in the year in question. The final stage of any project is the least profitable and the coincidence of several projects in this stage made it a challenging year. In addition, the end of 2001 saw a dramatic loss of confidence in International and UK markets, which resulted in delays in firm appointments for new projects and delays in existing ones. This continues to be reflected in current level of private sector commissions.

Bennetts Associates Limited
Directors' Report

Events since the balance sheet date

The freehold property was sold on 24 December 2002 and the company entered into a 15 year rental agreement.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2002	2001
Ms D Bennetts	500	500
Mr R J Bennetts	500	500
Miss J M Pitfield	-	-

Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

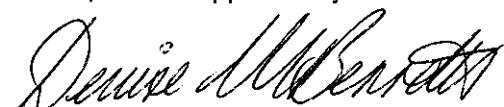
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of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

Auditors

A resolution to reappoint Haxton & Co as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on

7 July 2003



Ms D Bennetts
Director

Bennetts Associates Limited
Independent auditors' Report

Independent auditors' report to Bennetts Associates Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 5 to 15, together with the full accounts of the company for the year ended 31 May 2002 prepared under section 226 of the Companies Act 1985.

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 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

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

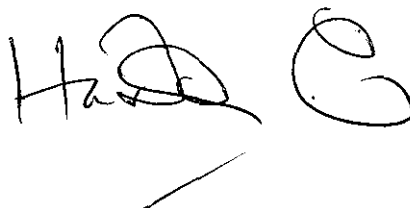
We have carried out the procedures we considered necessary to confirm, by reference to the full accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with those provisions.

Haxton & Co
Registered Auditors

Central House
124 High Street
Hampton Hill
Middlesex
TW12 1NS



7 July 2003.

Bennetts Associates Limited
Profit and Loss Account
for the year ended 31 May 2002

	Notes	2002 £	2001 £
Gross profit		1,741,741	1,720,650
Administrative expenses		(1,620,016)	(1,199,798)
Operating profit	3	<u>121,725</u>	<u>520,852</u>
Interest receivable		17,420	24,170
Interest payable	6	(32,539)	(18,448)
Profit on ordinary activities before taxation		<u>106,606</u>	<u>526,574</u>
Tax on profit on ordinary activities	7	(100,546)	(59,325)
Profit for the financial year		<u>6,060</u>	<u>467,249</u>
Dividends:			
ordinary dividend on equity shares	8	(418,000)	-
Retained (loss)/profit for the financial year	16	<u>(411,940)</u>	<u>467,249</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Bennetts Associates Limited
Statement of total recognised gains and losses
for the year ended 31 May 2002

	Notes	2002 £	2001 £
Profit for the financial year		6,060	467,249
Total recognised gains and losses related to the year		<u>6,060</u>	<u>467,249</u>

Bennetts Associates Limited
Balance Sheet
as at 31 May 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	9	2,351,409	1,270,202
Current assets			
Stocks	10	-	76,355
Debtors	11	684,486	969,686
Cash at bank and in hand		198,916	695,885
		<u>883,402</u>	<u>1,741,926</u>
Creditors: amounts falling due within one year	12	(1,485,563)	(1,536,846)
Net current (liabilities)/assets		<u>(602,161)</u>	<u>205,080</u>
Total assets less current liabilities		<u>1,749,248</u>	<u>1,475,282</u>
Creditors: amounts falling due after more than one year	13	(1,161,100)	(475,194)
		<u>588,148</u>	<u>1,000,088</u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account	16	587,148	999,088
Shareholders' funds:			
Equity		<u>588,148</u>	<u>1,000,088</u>
	17	<u>588,148</u>	<u>1,000,088</u>

These abbreviated accounts have been prepared in accordance with the special provisions relating to medium sized companies within Part VII of the Companies Act 1985.

R J Bennetts
Director

Approved by the board on 7 JULY 2003

D Bennetts
Director

Bennetts Associates Limited
Cash Flow Statement
for the year ended 31 May 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		121,725	520,852
Depreciation charges		145,890	83,327
Decrease in stocks		76,355	28,140
Decrease/(increase) in debtors		285,200	(268,904)
(Decrease)/increase in creditors		(512,750)	510,317
Net cash inflow from operating activities		<u>116,420</u>	<u>873,732</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		116,420	873,732
Returns on investments and servicing of finance	18	(15,119)	5,722
Taxation		(60,702)	-
Capital expenditure	18	<u>(1,227,097)</u> <u>(1,186,498)</u>	<u>(1,209,458)</u> <u>(330,004)</u>
Financing	18	689,529	462,417
(Decrease)/increase in cash		<u>(496,969)</u>	<u>132,413</u>

Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the period		(496,969)	132,413
<i>Increase in debt and lease financing</i>		(689,529)	(462,417)
Change in net debt	19	<u>(1,186,498)</u>	<u>(330,004)</u>
Net funds at 1 June		214,024	544,028
(Net debt)/net funds at 31 May		<u>(972,474)</u>	<u>214,024</u>

Bennetts Associates Limited
Notes to the Accounts
for the year ended 31 May 2002

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	no depreciation , see note 20
Leasehold land and buildings	over the lease term
Plant and machinery	33 1/3% straight line
Equipment, furniture & fittings	25% reducing balance
Motor vehicles	25% straight line

A full year's depreciation is charged in the year of acquisition and no depreciation in the year of disposal.

Stocks

Work in progress is valued at the lower of cost and estimated net realisable value and includes full provision of all known and expected losses at completion of the current stage of contracts immediately such losses are forecast.

Deferred taxation

Full provision is made for deferred taxation resulting from material timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

Pensions

The company operates a money purchase pension scheme in respect of the two directors and five employees who hold their own individual pension plans to which the company contributes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Bennetts Associates Limited
Notes to the Accounts
for the year ended 31 May 2002

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover on long term contracts is determined by reference to the value of work carried out to date on the current stage of the contract. No profit is recognised until the contract has advanced to a point where the profit on the current stage can be assessed with reasonable certainty.

3 Operating profit	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	134,098	75,435
Depreciation of assets held under finance leases and hire purchase contracts	11,792	7,892
Auditors' remuneration	3,500	3,500

4 Directors' emoluments	2002	2001
	£	£
Emoluments	142,752	129,199
Company contributions to money purchase pension schemes	108,708	19,760
	251,460	148,959

Number of directors in company pension schemes:	2002	2001
	Number	Number
Money purchase schemes	2	2

5 Staff costs	2002	2001
	£	£
Wages and salaries	1,555,439	1,299,621
Social security costs	155,299	126,766
Other pension costs	18,677	18,491
	1,729,415	1,444,878

Average number of employees during the year	Number	Number
Administration	13	14
Development	46	47
	59	61

Bennetts Associates Limited
Notes to the Accounts
for the year ended 31 May 2002

6 Interest payable	2002	2001
	£	£
Loan (secured)	30,991	17,388
Finance charges payable under finance leases and hire purchase contracts	1,548	1,060
	<u>32,539</u>	<u>18,448</u>

7 Taxation	2002	2001
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period at 20%	13,196	59,325
Adjustments in respect of previous periods	87,350	-
	<u>100,546</u>	<u>59,325</u>
Tax on profit on ordinary activities	<u>100,546</u>	<u>59,325</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2002	2001
	£	£
Profit on ordinary activities before tax	<u>106,606</u>	<u>526,574</u>
Standard rate of corporation tax in the UK	20%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	21,321	105,315
Effects of:		
Expenses not deductible for tax purposes	(8,125)	(45,990)
Adjustments to tax charge in respect of previous periods	87,350	-
Current tax charge for period	<u>100,546</u>	<u>59,325</u>

Bennetts Associates Limited
Notes to the Accounts
for the year ended 31 May 2002

8 Equity dividends			2002	2001
			£	£
Equity dividends on ordinary shares - final proposed			<u>418,000</u>	<u>-</u>
9 Tangible fixed assets				
	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost				
At 1 June 2001	1,138,262	5,675	429,126	1,573,063
Additions	937,564	-	289,533	1,227,097
At 31 May 2002	<u>2,075,826</u>	<u>5,675</u>	<u>718,659</u>	<u>2,800,160</u>
Depreciation				
At 1 June 2001	-	5,675	297,186	302,861
Charge for the year	-	-	145,890	145,890
At 31 May 2002	<u>-</u>	<u>5,675</u>	<u>443,076</u>	<u>448,751</u>
Net book value				
At 31 May 2002	<u>2,075,826</u>	<u>-</u>	<u>275,583</u>	<u>2,351,409</u>
At 31 May 2001	<u>1,138,262</u>	<u>-</u>	<u>131,940</u>	<u>1,270,202</u>
			2002	2001
			£	£
Net book value of plant and machinery included above held under finance leases and hire purchase contracts			<u>19,593</u>	<u>15,785</u>
10 Stocks			2002	2001
			£	£
Work in progress			<u>-</u>	<u>76,355</u>

Bennetts Associates Limited
Notes to the Accounts
for the year ended 31 May 2002

11 Debtors	2002	2001
	£	£
Trade debtors	629,914	805,439
Corporation tax	-	93,393
Other debtors	203	354
Prepayments and accrued income	54,369	70,500
	<u>684,486</u>	<u>969,686</u>
 12 Creditors: amounts falling due within one year	 2002	 2001
	£	£
Obligations under finance lease and hire purchase contracts	10,290	6,667
Trade creditors	212,558	172,430
Corporation tax	99,169	59,325
Other taxes and social security costs	58,566	211,191
Other creditors	230,968	373,727
Accruals and deferred income	456,012	713,506
Proposed dividend	418,000	-
	<u>1,485,563</u>	<u>1,536,846</u>
 13 Creditors: amounts falling due after one year	 2002	 2001
	£	£
Bank loans (secured)	1,154,000	469,639
Obligations under finance lease and hire purchase contracts	7,100	5,555
	<u>1,161,100</u>	<u>475,194</u>
 14 Obligations under finance leases and hire purchase contracts	 2002	 2001
	£	£
Amounts payable:		
Within one year	10,290	6,667
Within two to five years	7,100	5,555
	<u>17,390</u>	<u>12,222</u>

Bennetts Associates Limited
Notes to the Accounts
for the year ended 31 May 2002

15 Share capital			2002	2001
			£	£
Authorised:				
Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	2002	2001	2002	2001
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
16 Profit and loss account			2002	2001
			£	£
At 1 June			999,088	531,839
Retained (loss)/profit			(411,940)	467,249
At 31 May			<u>587,148</u>	<u>999,088</u>
17 Reconciliation of movement in shareholders' funds			2002	2001
			£	£
At 1 June			1,000,088	532,839
Profit for the financial year			6,060	467,249
Dividends			(418,000)	-
At 31 May			<u>588,148</u>	<u>1,000,088</u>
18 Gross cash flows			2002	2001
			£	£
Returns on investments and servicing of finance				
Interest received			17,420	24,170
Interest paid			(30,991)	(17,388)
Interest element of finance lease rental payments			(1,548)	(1,060)
			<u>(15,119)</u>	<u>5,722</u>
Capital expenditure				
Payments to acquire tangible fixed assets			<u>(1,227,097)</u>	<u>(1,209,458)</u>
Financing				
Loan repayments			684,361	469,639
Capital element of finance lease rental payments			5,168	(7,222)
			<u>689,529</u>	<u>462,417</u>

Bennetts Associates Limited
Notes to the Accounts
for the year ended 31 May 2002

19 Analysis of changes in net debt

	At 1 Jun 2001 £	Cash flows £	Non-cash changes £	At 31 May 2002 £
Cash at bank and in hand	695,885	(496,969)		198,916
Debt due after 1 year	(469,639)	(684,361)		(1,154,000)
Finance leases	(12,222)	(5,168)		(17,390)
		(689,529)		
Total	214,024	(1,186,498)	-	(972,474)

20 Post balance sheet events

The freehold property was sold on 24 December 2002. The company entered into a tenancy agreement to occupy the new refurbished property at a rental of £174,000 p.a.

21 Bank security

The security provided is a mortgage debenture over all the assets and undertakings of the company together with a first legal mortgage over the freehold property at 1 & 3 Rawstorne Place, London EC1 in the name of Bennetts Associates Limited.