

Company Registration No. 2750217 (England and Wales)

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

WEDNESDAY



LCH30MOF
L32 31/01/2007 375
COMPANIES HOUSE

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
COMPANY INFORMATION

Directors	Dr W W Frischmann S S Prabhu
Secretary	L S Roberts
Company number	2750217
Registered office	5 Manchester Square London W1A 1AU
Auditors	Berg Kaprow Lewis LLP Chartered Accountants 35 Ballards Lane London N3 1XW
Bankers	Barclays Bank plc London Corporate Banking PO Box 544 54 Lombard Street London EC2V 9 EX

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

**PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

The directors present their report and financial statements for the year ended 31 March 2006.

On 20 December 2006 the company changed its name from PF (Europe) Limited to Pell Frischmann Limited.

Principal activities and review of the business

The principal activity of the company during the year was that of consulting engineers.

In March 2004 we were appointed to work in Iraq as one of two design consultants on the \$960M Security and Justice contract, led by the US Government, as part of the national reconstruction programme. This was the single largest contract let by the US Coalition Provisional Authority for reconstruction efforts in Iraq.

Our Project Management, design and structural, mechanical and electrical engineering expertise has led to the timely construction and/or rehabilitation of an array of civic and government facilities as well as security installations, across the whole of the country including: Tadjil Military Training Base and a major new prison for 1,400 inmates at Al Nasiriyah.

In Jordan, the Aqaba Development Corporation (ADC) is responsible for driving social and economic development of the Aqaba Special Economic Zone. Pell Frischmann have been appointed to provide master planning, engineering, and design services to the management team of the ADC.

The Directors use a range of performance measures to monitor and manage the business. Certain of these are particularly important in the generation of shareholder value and are considered key performance indicators (KPIs). Our KPIs measure past performance and also provide information to allow us to manage the business in the future. Turnover, profit before tax and operating cash flow paid to fellow group companies indicate the activity of the company, and the efficiency with which we have turned operating performance into cash. KPIs for 2006 are shown in the table below, along with prior year comparatives.

	2006	2005
Turnover	£762,206	£4,773,149
Profit before tax	£306,531	£2,144,601
Operating cash flow paid to fellow group Companies	£644,998	£2,540

The major risk faced by the company is that relating to foreign exchange rate fluctuations, particularly the dollar. Where possible the company manages this risk by the natural hedge of employing local staff, or by taking out forward exchange rate contracts where the future receipt date of foreign exchange monies is known. The major uncertainty faced by the company is the un-quantified contingent liabilities arising in the normal course of business.

Results and dividends

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

Directors

The following directors have held office since 1 April 2005:

Dr W W Frischmann
S S Prabhu

**PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Equity interests: Ordinary shares of £ 1 each	
	31 March 2006	1 April 2005
Dr W W Frischmann	-	-
S S Prabhu	-	-

Directors interests in the ultimate parent undertaking are given in note 14 to the financial statements.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Berg Kaprow Lewis LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 of the profit or loss of the company 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;
- 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 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S S Prabhu

Director

20 JANUARY 2007

**PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PELL FRISCHMANN LIMITED**

We have audited the financial statements of PELL FRISCHMANN LIMITED for the year ended 31 March 2006 set out on pages 5 to 11. These financial statements have been prepared under 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

**PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PELL FRISCHMANN LIMITED**

Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended ;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Berg Kaprow Lewis LLP

Berg Kaprow Lewis LLP

30-1-2007

Chartered Accountants
Registered Auditor

Chartered Accountants
35 Ballards Lane
London
N3 1XW

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
Turnover	2	762,206	4,773,149
Cost of sales		(531,905)	(2,312,598)
Gross profit		230,301	2,460,551
Administrative expenses		77,846	(314,460)
Operating profit	3	308,147	2,146,091
Interest payable and similar charges	4	(1,616)	(1,490)
Profit on ordinary activities before taxation		306,531	2,144,601
Tax on profit on ordinary activities	5	(91,959)	(643,380)
Profit for the year	10	214,572	1,501,221

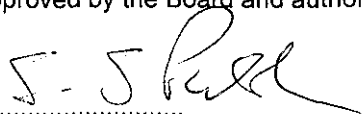
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
BALANCE SHEET
AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
Current assets					
Debtors	6	2,594,311		2,223,860	
Creditors: amounts falling due within one year	7	<u>(875,161)</u>		<u>(719,280)</u>	
Total assets less current liabilities			<u>1,719,150</u>		<u>1,504,580</u>
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		<u>1,718,150</u>		<u>1,503,580</u>
Shareholders' funds	11		<u>1,719,150</u>		<u>1,504,580</u>

Approved by the Board and authorised for issue on 30 JANUARY 2007



S S Prabhu
Director

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary of a group which produce a consolidated cashflow statement in the consolidated financial statements.

1.2 Turnover

Turnover represents fees receivable and reimbursable, for services rendered, exclusive of Value Added Tax.

1.3 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

The company contributes to the group's defined benefits scheme which is funded by both employers' and employee's contributions. The pension cost is assessed in accordance with the advice of an independent qualified actuary.

Contributions are charged to the profit and loss account so as to spread the cost of pensions over the estimated working lives of employees. Any shortfall or surpluses in the pension fund are spread over the average remaining service lives of current employees.

1.4 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2006	2005
	£	£
United Kingdom	3,537	3,802
Middle East	739,600	4,769,347
Asia	19,068	-
	<u>762,205</u>	<u>4,773,149</u>

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

3	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging:		
	Loss on foreign exchange transactions	-	184,124
	Auditors' remuneration	1,300	7,500
	and after crediting:		
	Profit on foreign exchange transactions	(99,530)	-
		<u></u>	<u></u>
4	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	1,616	1,490
		<u></u>	<u></u>
5	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U.K. corporation tax	91,959	643,380
		<u></u>	<u></u>
	Current tax charge	91,959	643,380
		<u></u>	<u></u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	306,531	2,144,601
		<u></u>	<u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	91,959	643,380
		<u></u>	<u></u>
	Current tax charge	91,959	643,380
		<u></u>	<u></u>
6	Debtors	2006	2005
		£	£
	Trade debtors	110,765	1,795,079
	Amounts owed by parent and fellow subsidiary undertakings	2,466,734	329,390
	Other debtors	4,985	11,563
	Prepayments and accrued income	11,827	87,828
		<u></u>	<u></u>
		2,594,311	2,223,860
		<u></u>	<u></u>

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

7 Creditors: amounts falling due within one year	2006	2005
	£	£
Amounts owed to parent and fellow subsidiary undertakings	701,316	7,491
Corporation tax	91,959	643,380
Accruals and deferred income	81,886	68,409
	<u>875,161</u>	<u>719,280</u>

8 Pension costs

The company is a member of a defined benefit group pension scheme, which is funded through a separate trustee administrated fund.

The pension contributions payable by the company for the year ended 31 March 2006 amounted to £Nil (2005: £7,346).

Disclosures are also required in these accounts under the new accounting standard FRS17 "Retirement Benefits". The Pell Frischmann Retirement Benefits Scheme has an FRS17 deficit of £2.252m at 31 March 2006 (£5.696m at 31 March 2005). The company is unable to identify its share of the underlying assets or liabilities of this scheme, as it participates in the scheme along with other fellow subsidiaries of the group. As such, contribution to the scheme have been accounted for as if it were a defined contribution scheme, in accordance with FRS 17. The consolidated accounts should be referred to for the FRS 17 detailed disclosure.

9 Share capital	2006	2005
	£	£
Authorised		
1,000 Equity interests: Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Equity interests: Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2005	1,503,578
Profit for the year	<u>214,572</u>
Balance at 31 March 2006	<u>1,718,150</u>

PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

11 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the financial year	214,572	1,501,221
Opening shareholders' funds	1,504,580	3,359
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>1,719,150</u>	<u>1,504,580</u>

12 Contingent liabilities

There are unquantified contingent liabilities in the normal course of business arising under engineering contracts.

13 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2006	2005
	Number	Number
Engineering	1	7
Management	2	2
	<u> </u>	<u> </u>
	<u>3</u>	<u>9</u>

Employment costs

	£	£
Wages and salaries	78,685	506,000
Social security costs	9,372	60,348
Other pension costs	-	7,346
	<u> </u>	<u> </u>
	<u>88,057</u>	<u>573,694</u>

**PELL FRISCHMANN LIMITED
(FORMERLY PF (EUROPE) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

14 Control

The company is a subsidiary of Consec International Ltd, a company registered in England and Wales.

The ultimate parent undertaking is Pell Frischmann Holdings Limited, a company registered in England and Wales.

Copies of the consolidated financial statements of Pell Frischmann Holdings Limited may be obtained from L S Roberts, the company secretary, at the following address -

5 Manchester Square, London W1A 1AU. Tel. 020 7486 3661

The directors, W W Frischmann and S S Prabhu are also directors of Pell Frischmann Holdings Limited, and details of their interests in shares of the company are disclosed in the reports and financial statements.

15 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.