

Company Registration No. 2810599 (England and Wales)

**PELL FRISCHMANN PROJECTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**



# PELL FRISCHMANN PROJECTS LIMITED

## COMPANY INFORMATION

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Directors	W W Frischmann CBE S S Prabhu K Corazzo R Jones R Wiles L S Roberts
Secretary	L S Roberts
Company number	2810599
Registered office	5 Manchester Square London W1A 1AU
Auditors	Berg Kaprow Lewis LLP Chartered Accountants 35 Ballards Lane London N3 1XW

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# PELL FRISCHMANN PROJECTS LIMITED

## CONTENTS

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	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the financial statements	8 - 14

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# PELL FRISCHMANN PROJECTS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

### Principal activities and review of the business

The principal activity of the company during the year was the provision of professional services in the disciplines of architecture, integrated engineering, quantity surveying, project management and working with other disciplines and fellow companies within the Pell Frischmann Group.

The turnover for the year remained consistent with the previous year.

The company has continued to focus on providing professional services, principally in the Public Sector. Another major framework has recently been won with Kent County Council. This framework is for the provision of project management and design services for principally major education projects throughout Kent. Further design work has been successfully tendered with Interserve Defence in their new capacity as Prime Contractor to the MOD. The company will continue to seek fee income from Public Sector clients with an emphasis on increasing turnover and maintaining the same proportion of Public Sector work in the coming year.

All members of staff employed by the Group as a whole are available to any company within the Group dependent upon the demand or resources of the constituent company.

### Results and dividends

The results for the year are set out on page 4.

### Directors

The following directors have held office since 1 April 2004:

W W Frischmann CBE

S S Prabhu

K Corazzo

R Jones

R Wiles

D Atherton

(Resigned 3 July 2005)

L S Roberts

### Directors' interests

The directors at the balance sheet date and their interest in the company (including those of their families) at that date and at the beginning of the year, were as follows:

	Equity interests: Ordinary shares of £ 1 each	
	31 March 2005	1 April 2004
W W Frischmann CBE	-	-
S S Prabhu	-	-
K Corazzo	10	10
R Jones	10	10
R Wiles	10	10
D Atherton	10	10
L S Roberts	-	-

# PELL FRISCHMANN PROJECTS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

Directors interest in ultimate parent undertaking are given in note 17 to the financial statements.

W W Frischmann and S S Prabhu represent Pell Frischmann Consulting Engineers Ltd on the company's board of directors. Pell Frischmann Consulting Engineers Limited owns 120 shares representing a 75% interest.

### 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

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;
- 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.

On behalf of the board



S S Prabhu

Director

3-3-2006

# PELL FRISCHMANN PROJECTS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PELL FRISCHMANN PROJECTS LIMITED

We have audited the financial statements of Pell Frischmann Projects Limited on pages 4 to 14 for the year ended 31 March 2005. 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 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 the directors and auditors**

As described in the statement of directors' responsibilities on page 2 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 or 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 the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Berg Kaprow Lewis LLP**

Chartered Accountants and Registered Auditor  
London

9-3-2006

# PELL FRISCHMANN PROJECTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Turnover	2	1,141,814	1,244,726
Cost of sales		(901,343)	(984,558)
<b>Gross profit</b>		240,471	260,168
Administrative expenses		(233,704)	(226,019)
<b>Operating profit</b>	3	6,767	34,149
Interest payable and similar charges	4	(5,559)	(2,353)
<b>Profit on ordinary activities before taxation</b>		1,208	31,796
Tax on profit on ordinary activities	5	-	(7,813)
<b>Profit on ordinary activities after taxation</b>	11	1,208	23,983

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 PROJECTS LIMITED

## BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	6		14,786		5,974
<b>Current assets</b>					
Debtors	7	755,614		502,845	
Cash at bank and in hand		400		200	
		<u>756,014</u>		<u>503,045</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(571,798)</u>		<u>(311,225)</u>	
<b>Net current assets</b>			184,216		191,820
<b>Total assets less current liabilities</b>			<u>199,002</u>		<u>197,794</u>
<b>Capital and reserves</b>					
Called up share capital	10		160		160
Profit and loss account	11		198,842		197,634
<b>Shareholders' funds - equity interests</b>	12		<u>199,002</u>		<u>197,794</u>

The financial statements were approved by the Board on 3-3-2006

*W W Frischmann*

W W Frischmann CBE  
Director



# PELL FRISCHMANN PROJECTS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	£	2005 £	£	2004 £
Net cash inflow from operating activities		29,006		36,284
Returns on investments and servicing of finance				
Interest paid	(5,559)		(2,353)	
Net cash outflow for returns on investments and servicing of finance		(5,559)		(2,353)
Taxation		(8,952)		(27,342)
Capital expenditure				
Payments to acquire tangible assets	(14,295)		(6,389)	
Net cash outflow for capital expenditure		(14,295)		(6,389)
Net cash inflow before management of liquid resources and financing		200		200
Increase in cash in the year		200		200

# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

1	Reconciliation of operating profit to net cash inflow from operating activities	2005 £	2004 £
	Operating profit	6,767	34,149
	Depreciation of tangible assets	5,483	3,709
	Loss on disposal of tangible assets	-	1,247
	(Increase)/decrease in debtors	(252,769)	205,628
	Increase/(decrease) in creditors within one year	269,525	(208,449)
	<b>Net cash inflow from operating activities</b>	<b>29,006</b>	<b>36,284</b>

2	Analysis of net funds	1 April 2004 £	Cash flow £	Other non- cash changes £	31 March 2005 £
	Net cash:				
	Cash at bank and in hand	200	200	-	400
	Net funds	200	200	-	400

3	Reconciliation of net cash flow to movement in net funds	2005 £	2004 £
	Increase in cash in the year	200	200
	<b>Movement in net funds in the year</b>	<b>200</b>	<b>200</b>
	Opening net funds	200	-
	<b>Closing net funds</b>	<b>400</b>	<b>200</b>

# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards.

#### 1.2 Turnover

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

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% Straight line
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

#### 1.4 Leasing

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

#### 1.5 Pensions

The majority of the company's employees belong to a group pension scheme which is funded by both employer's and employees' contributions and which is of the defined benefit type. 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.

#### 1.6 Deferred taxation

Deferred tax is provided, in accordance with FRS 19, in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes that have not reversed by the balance sheet date.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	5,483	3,709
Loss on disposal of tangible assets	-	1,247
Operating lease rentals	19,904	10,504
Auditors' remuneration	5,250	5,500

# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

<b>4</b>	<b>Interest payable</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>
	On amounts payable to group companies	5,174	2,353
	Other interest	385	-
		<u>5,559</u>	<u>2,353</u>
<b>5</b>	<b>Taxation</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	8,951
	Adjustment for prior years	-	(1,138)
		<u>-</u>	<u>7,813</u>
	<b>Current tax charge</b>	<u>-</u>	<u>7,813</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,208</u>	<u>31,796</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004: 28.26%)	<u>230</u>	<u>8,986</u>
	<i>Effects of:</i>		
	Depreciation add back	1,042	1,048
	Capital allowances	(1,216)	(1,435)
	Adjustments to previous periods	-	(1,138)
	Chargeable disposals	-	352
	Other tax adjustments	(56)	-
		<u>(230)</u>	<u>(1,173)</u>
	<b>Current tax charge</b>	<u>-</u>	<u>7,813</u>

# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 6 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2004	25,775	4,630	4,799	35,204
Additions	6,595	7,700	-	14,295
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	32,370	12,330	4,799	49,499
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2004	23,484	4,450	1,296	29,230
Charge for the year	2,624	1,984	875	5,483
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	26,108	6,434	2,171	34,713
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2005	6,262	5,896	2,628	14,786
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	2,291	180	3,503	5,974
	<hr/>	<hr/>	<hr/>	<hr/>

### 7 Debtors

	2005	2004
	£	£
Trade debtors	483,026	308,627
Amounts owed by parent and fellow subsidiary undertakings	31,534	34,086
Amounts owed by participating interests	9,597	9,597
Other debtors	25,956	25,956
Prepayments and accrued income	205,501	124,579
	<hr/>	<hr/>
	755,614	502,845
	<hr/>	<hr/>

# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

8	Creditors: amounts falling due within one year	2005 £	2004 £
	Trade creditors	7,638	10,169
	Amounts owed to parent and fellow subsidiary undertakings	419,615	175,539
	Amounts owed to participating interests	2,646	2,646
	Corporation tax	-	8,952
	Other taxes and social security costs	106,424	72,115
	Other creditors	36	36
	Accruals and deferred income	35,439	41,768
		<u>571,798</u>	<u>311,225</u>

### 9 Pension costs

The company is a member of a defined benefit group pension scheme, covering the majority of its employees, which is funded through a separate trustee administered fund.

The most recent actuarial valuation of the scheme was carried out as at 1 April 2001 using the projected unit method. The assumptions which have the most significant affect on the results of the valuation are those relating to the pre and post retirement discount rates, the rates of increase in pensionable salaries and pensions. It was assumed that the pre and post retirement discount rates would be 7.50% per annum and 5.30% per annum respectively, the pensionable salaries would increase at the rate of 4.35% per annum and pensions by 2.35%.

At the date of valuation, the total market value of the scheme's assets was £27.385m and the actuarial valuation of the assets was sufficient overall to cover 98.6% of the benefit that had accrued to the members at that date, as calculated in accordance with the statutory Minimum Funding Requirement, after allowing for assumed future increases in earnings and subject to improvements in benefits

The actuary has recommended that as from 1 April 2005 the relevant group undertakings contribute to the scheme at the rate of 19.0% of the pensionable salaries of the members, an increase from 14.7% applied since 1 August 2003 (11.3% to 31 July 2003).

The pension contributions payable by the company for the year ended 31 March 2005 amounted to £52,789 (2004: £53,177). Contributions totalling £366 were unpaid as at year end and were included in creditors.

Contributions to other schemes amounted to £2,943 (2004: £2,669). All contributions were paid within the year.

#### FRS 17 Disclosure

Disclosures are also required in these accounts under the new accounting standard FRS 17 "Retirement Benefits". The Pell Frischmann Retirement Benefits Scheme has an FRS 17 deficit of £5.696 million at 31 March 2005 (£5.622 million at 31 March 2004). 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, contributions 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.

# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

10 Share capital	2005 £	2004 £
<b>Authorised</b>		
1,000 Equity interests: Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
160 Equity interests: Ordinary shares of £1 each	<u>160</u>	<u>160</u>

The issued share capital remains unpaid and is included within debtors.

11 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 April 2004	197,634
Retained profit for the year	<u>1,208</u>
Balance at 31 March 2005	<u>198,842</u>

12 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the financial year	1,208	23,983
Opening shareholders' funds	<u>197,794</u>	<u>173,811</u>
Closing shareholders' funds	<u>199,002</u>	<u>197,794</u>

### 13 Contingent liabilities

There are unquantified contingent liabilities in the normal course of business arising under consultancy contracts and the company is covered by professional indemnity insurance in respect of any claims.

### 14 Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2005 £	2004 £
Expiry date:		
Between two and five years	<u>13,400</u>	<u>13,400</u>

# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

15 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	151,123	208,331
Company pension contributions to defined benefit schemes	17,623	20,098
	<u>168,746</u>	<u>228,429</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2004- 3).

### 16 Employees

#### Number of employees

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

	2005 Number	2004 Number
Administration	1	1
Engineering	11	14
Management	3	4
	<u>15</u>	<u>19</u>

#### Employment costs

	2005 £	2004 £
Wages and salaries	522,838	546,332
Social security costs	47,123	49,984
Other pension costs	55,732	55,846
	<u>625,693</u>	<u>652,162</u>



# PELL FRISCHMANN PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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### 17 Control

The company is a subsidiary of Pell Frischmann Consulting Engineers Ltd, a company registered in England and Wales.

The ultimate parent undertaking is Pell Frischmann Holdings Limited, a company incorporated in England and Wales, which prepares group financial statements.

Copies of the group 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 Consulting Engineers Ltd and Pell Frischmann Holdings Limited and the details of their interests in the shares of these companies are disclosed in the respective reports and financial statements. No other directors of this company had any interests in the shares of any of the Pell Frischmann group of companies.

### 18 Related party transactions

During the year, management charges of £41,750 (2004: £41,750), rent of £14,000 (2004: £14,000) and insurance of £28,471 (2004: £34,799) was paid to fellow subsidiary undertakings.

A further £5,174 (2004: £2,353) in respect of interest payable on loans from fellow subsidiary undertaking was also paid.

The net amount due to group undertakings as at 31 March 2005 was £383,411.