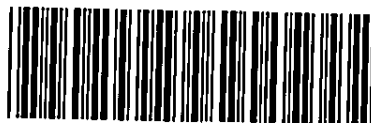


PELL FRISCHMANN PROJECTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

FRIDAY



LT8CKH21

L35

29/01/2010

278

COMPANIES HOUSE

PELL FRISCHMANN PROJECTS LIMITED

COMPANY INFORMATION

DIRECTORS	Dr W W Frischmann CBE S S Prabhu R Jones L S Roberts
COMPANY SECRETARY	L S Roberts
COMPANY NUMBER	2810599
REGISTERED OFFICE	5 Manchester Square London W1U 3PD
AUDITORS	Berg Kaprow Lewis LLP Chartered Accountants & Registered Auditor 35 Ballards Lane Finchley London N3 1XW

PELL FRISCHMANN PROJECTS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 16
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	17 - 19

PELL FRISCHMANN PROJECTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and the financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of provision of engineering services.

BUSINESS REVIEW

We have continued to provide professional services, principally in the Public Sector, where we provide services under framework agreements with Kent and East Sussex County Councils. These frameworks are for the provision of project management and design services for principally major education projects throughout Kent and East Sussex. We also continue to work for Interserve Defence in their new capacity as Prime Contractor to the MOD, as well as directly for MOD clients.

However, from February 2009 no new contracts have been undertaken under the Pell Frischmann Projects name and new work for this speciality is being undertaken by other companies within the Pell Frischmann Group.

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 indicate the activity of the company, and the efficiency with which we have turned operating performance into cash. KPIs for 2009 are shown in the table below, along with prior year comparatives.

	2009	2008
Turnover	£566,720	£ 820,252
Profit before tax	£(16,342)	£(212,281)
Operating cash flow	£(60,728)	£ (18,312)

The major risks faced by the company are as follows:

Recruitment and retention of sufficient high calibre staff: Staff from PF Projects have mainly transferred to the Conesco office in Abu Dhabi. A small Projects team is completing jobs under the Projects name from the London office.

Changes in the competitive environment resulting from government policy or industry consolidation: We operate in a fluid competitive environment which may be altered by government changes in the regulatory environment, changes in public sector procurement practices, or by any significant industry consolidation. We seek to mitigate this risk by regularly monitoring market developments and competitor activity and undertaking benchmarking processes.

Risks arising under engineering design contracts: The company has un-quantified contingent liabilities arising in the normal course of business under engineering design contracts, however the company is covered by professional indemnity insurance in respect of any claims.

PELL FRISCHMANN PROJECTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009

BUSINESS REVIEW (continued)

The Directors consider that the development and performance of the company during the year and state of the company's affairs as at the balance sheet date are satisfactory, and that the outlook for the future performance of the company is favourable.

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

The loss for the year, after taxation, amounted to £11,343 (2008 - loss £149,159).

DIRECTORS

The directors who served during the year were:

Dr W W Frischmann CBE
S S Prabhu
R Jones
L S Roberts

GOING CONCERN

The directors confirm that they are satisfied the company has adequate support to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Berg Kaprow Lewis LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

PELL FRISCHMANN PROJECTS LIMITED

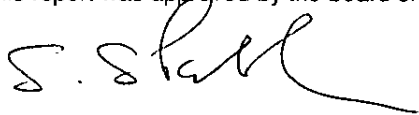
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 that 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.

This report was approved by the board on *27th January 2010* and signed on its behalf.



S S Prabhu
Director

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 for the year ended 31 March 2009, set out on pages 6 to 16. 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 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 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 judgments 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 PROJECTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PELL FRISCHMANN PROJECTS 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 2009 and of its loss for the year then ended;
- the financial statements 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

Chartered Accountants
Registered Auditor

London

Date: *28th January 2010*

PELL FRISCHMANN PROJECTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

	Note	2009 £	2008 £
TURNOVER	1,2	566,720	820,252
Cost of sales		<u>(498,202)</u>	<u>(778,641)</u>
GROSS PROFIT		68,518	41,611
Administrative expenses		<u>(82,108)</u>	<u>(241,630)</u>
OPERATING LOSS	3	(13,590)	(200,019)
Interest payable	4	<u>(2,752)</u>	<u>(12,262)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(16,342)	(212,281)
Tax on loss on ordinary activities	5	<u>4,999</u>	<u>63,122</u>
LOSS FOR THE FINANCIAL YEAR	11	<u>(11,343)</u>	<u>(149,159)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account.


The notes on pages 9 to 16 form part of these financial statements.

PELL FRISCHMANN PROJECTS LIMITED
REGISTERED NUMBER: 2810599

BALANCE SHEET
AS AT 31 MARCH 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	7		-		455
CURRENT ASSETS					
Debtors	8	418,258		636,658	
Cash in hand		142		500	
		<u>418,400</u>		<u>637,158</u>	
CREDITORS: amounts falling due within one year	9	<u>(439,571)</u>		<u>(647,441)</u>	
NET CURRENT LIABILITIES			<u>(21,171)</u>		<u>(10,283)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(21,171)</u>		<u>(9,828)</u>
CAPITAL AND RESERVES					
Called up share capital	10		160		160
Profit and loss account	11		<u>(21,331)</u>		<u>(9,988)</u>
SHAREHOLDERS' DEFICIT	12		<u>(21,171)</u>		<u>(9,828)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

27th January 2010


S S Prabhu
Director

The notes on pages 9 to 16 form part of these financial statements.

PELL FRISCHMANN PROJECTS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

	Note	2009 £	2008 £
Net cash flow from operating activities	13	(60,728)	(18,312)
Returns on investments and servicing of finance	14	(2,752)	(12,262)
Taxation		63,122	29,774
Capital expenditure and financial investment	14	-	900
(DECREASE)/INCREASE IN CASH IN THE YEAR		(358)	100

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2009**

	2009 £	2008 £
(Decrease)/Increase in cash in the year	(358)	100
MOVEMENT IN NET DEBT IN THE YEAR	(358)	100
Net funds at 1 April 2008	500	400
NET FUNDS AT 31 MARCH 2009	142	500

The notes on pages 9 to 16 form part of these financial statements.

PELL FRISCHMANN PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

At the balance sheet date the company's net liabilities exceeded its assets. The financial statements have been prepared on the going concern basis in the opinion of the directors the company will receive continued support from the other Pell Frischmann group of companies for the foreseeable future.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25%	Reducing balance
Fixtures & fittings	-	25%	Reducing balance
Computer equipment	-	25%	straight line

1.4 LEASING

Rentals under operating leases are charged 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.

PELL FRISCHMANN PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging:

	2009 £	2008 £
Depreciation of tangible fixed assets:		
- owned by the company	455	4,392
Operating lease rentals:		
- other operating leases	10,244	16,728
	<u>10,244</u>	<u>16,728</u>

4. INTEREST PAYABLE

	2009 £	2008 £
Other interest	2,752	12,262
	<u>2,752</u>	<u>12,262</u>

5. TAXATION

	2009 £	2008 £
Receipt in respect of group relief	(4,999)	(63,122)
Tax on loss on ordinary activities	<u>(4,999)</u>	<u>(63,122)</u>

PELL FRISCHMANN PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

5. TAXATION (continued)

Factors affecting tax charge for the year

The tax credit for the year is higher than (*2008 - lower than*) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2009 £	2008 £
Loss on ordinary activities before tax	(16,342)	(212,281)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (<i>2008 - 30%</i>)	(4,576)	(63,684)
Effects of:		
Expenses not deductible for tax purposes	34	62
Capital allowances for year in excess of depreciation	(457)	500
Current tax credit for the year (see note above)	(4,999)	(63,122)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. AUDITORS' REMUNERATION

	2009 £	2008 £
Fees payable to the company's auditor for the audit of the company's annual accounts	3,500	6,400

PELL FRISCHMANN PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

7. TANGIBLE FIXED ASSETS

	Computer equipment £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 2008	32,370	14,130	46,500
Disposals	(32,370)	(14,130)	(46,500)
At 31 March 2009	-	-	-
Depreciation			
At 1 April 2008	32,368	13,677	46,045
Charge for the year	2	453	455
On disposals	(32,370)	(14,130)	(46,500)
At 31 March 2009	-	-	-
Net book value			
At 31 March 2009	-	-	-
At 31 March 2008	2	453	455

8. DEBTORS

	2009 £	2008 £
Trade debtors	233,051	200,253
Amounts owed by group undertakings	69,216	169,486
Other debtors	109,296	3,341
Prepayments and accrued income	1,696	200,456
Tax recoverable	4,999	63,122
	418,258	636,658

9. CREDITORS:
Amounts falling due within one year

	2009 £	2008 £
Trade creditors	-	29
Amounts owed to group undertakings	400,159	580,481
Social security and other taxes	-	26,171
Other creditors	35	35
Accruals and deferred income	39,377	40,725
	439,571	647,441

PELL FRISCHMANN PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

10. SHARE CAPITAL

	2009 £	2008 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
160 Ordinary shares of £1 each	<u>160</u>	<u>160</u>

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

11. RESERVES

	Profit and loss account £
At 1 April 2008	(9,988)
Loss for the year	<u>(11,343)</u>
At 31 March 2009	<u>(21,331)</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2009 £	2008 £
Opening shareholders' (deficit)/funds	(9,828)	139,331
Loss for the year	<u>(11,343)</u>	<u>(149,159)</u>
Closing shareholders' deficit	<u>(21,171)</u>	<u>(9,828)</u>

13. NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating loss	(13,590)	(200,019)
Depreciation of tangible fixed assets	455	4,392
Loss on disposal of tangible fixed assets	2	211
Decrease in debtors	160,277	449,985
Decrease in creditors	<u>(207,872)</u>	<u>(272,881)</u>
Net cash outflow from operations	<u>(60,728)</u>	<u>(18,312)</u>

PELL FRISCHMANN PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

14. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest paid	(2,752)	(12,262)
	<u>2009</u> £	<u>2008</u> £
Capital expenditure and financial investment		
Sale of tangible fixed assets	-	900

15. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2008 £	Cash flow £	Other non-cash changes £	31 March 2009 £
Cash at bank and in hand:	500	(358)	-	142
Net funds	<u>500</u>	<u>(358)</u>	<u>-</u>	<u>142</u>

16. PENSION COMMITMENTS

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 pension contributions payable by the company for the year ended 31 March 2009 amounted to £12,217 (2008: £40,801). All contributions were paid within the year.

Contributions to other schemes amounted to £2,653 (2008: £4,211). All contributions were paid within the year.

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 £12.005 million at 31 March 2009 (£3.084 million at 31 March 2008). 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 2009

17. OPERATING LEASE COMMITMENTS

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009	2008
	£	£
Expiry date:		
Within 1 year	-	13,400

18. 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 claims.

19. DIRECTORS' REMUNERATION

	2009	2008
	£	£
Emoluments	-	57,083
Company pension contributions to money purchase pension schemes	-	9,511

During the year retirement benefits were accruing to no directors (2008 - 1) in respect of defined benefits pension schemes.

PELL FRISCHMANN PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

20. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2009 £	2008 £
Wages and salaries	175,511	436,345
Social security costs	13,544	39,737
Other pension costs	14,870	45,012
	<u>203,925</u>	<u>521,094</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2009 No.	2008 No.
Administration	1	1
Engineering	4	9
Management	2	2
	<u>7</u>	<u>12</u>

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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 W1U 3PD. Tel. 020 7486 3661

22. RELATED PARTY TRANSACTIONS

During the year, management charges of £14,648 (2008: £93,483), rent of £4,084 (2008: £14,000) and insurance of £761 (2008: £1,483) were paid to fellow subsidiary undertakings.

The net amount due to group undertakings as at 31 March 2009 was £330,943 (2008: £410,995).