

Company Registration No. 1575164 (England and Wales)

**JOHN SHREEVES & PARTNERS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**



# JOHN SHREEVES & PARTNERS LIMITED

## COMPANY INFORMATION

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**Directors**

J Sipsma  
G Welfare  
G Shreeves  
C J Swingler  
G T Wisbey  
IE Richter  
DL Richter

**Secretary**

W Dengler

**Company number**

1575164

**Registered office**

1 London Bridge  
London  
SE1 9BG

**Auditor**

Baker Tilly UK Audit LLP  
2 Bloomsbury Street  
London  
WC1B 3ST

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# **JOHN SHREEVES & PARTNERS LIMITED**

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# JOHN SHREEVES & PARTNERS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2008

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The directors present their report and financial statements for the year ended 31 December 2008.

#### Principal activities

The principal activity of the company is that of project management and surveying services.

The key performance indicators of the Company are considered to be turnover and operating profit.

#### Turnover

For the twelve months to 31 December 2008, turnover has remained static, 2008 £2,080,239 (8 months ending 31 December 2007: £1,933,764)

#### Operating Profit

For the twelve months to 31 December 2008 the Company has seen an operating loss of £575,549 (8 months ending December 2007: £233,188 profit).

On 4 January 2008, the Company's parent, John Shreeves Holdings Limited, was acquired by Hill International (UK) Limited. Hill International (UK) Limited, is a wholly owned subsidiary of Hill International Inc., a company incorporated in Delaware in the United States of America.

#### Directors

The following directors have held office since 1 January 2008:

J W Shreeves	(Resigned 8 September 2008)
J Sipsma	
G Welfare	
G Shreeves	
C J Swingler	
G T Wisbey	
IE Richter	(Appointed 8 September 2008)
E J Lawrence	(Resigned 4 August 2009)
DL Richter	(Appointed 8 September 2008)

Charitable donations	2008 £	2007 £
During the year the company made the following payments:		
Charitable donations	-	590

#### Auditors

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed as auditors during the year, and have indicated their willingness to continue in office.

# JOHN SHREEVES & PARTNERS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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### Directors' responsibilities

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

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of 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

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated with the auditor.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

*Marie Wood (specially authorised signatory)*

IE Richter

Director

29 October 2009

**Company Registration No. 1575164 (England and Wales)**

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# **JOHN SHREEVES & PARTNERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF JOHN SHREEVES & PARTNERS LIMITED**

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We have audited the financial statements of John Shreeves & Partners Limited for the year ended 31 December 2008 set out on pages 5 to 16.

The Company was exempt from audit in the period ended 31 December 2007 and consequently the corresponding figures are unaudited.

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**

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 (United Kingdom Generally Accepted Accounting Practice).

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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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.

# JOHN SHREEVES & PARTNERS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF JOHN SHREEVES & PARTNERS LIMITED

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#### 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 December 2008 and of its loss for the year then ended and 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.

*Baker Tilly UK Audit LLP*  
Baker Tilly UK Audit LLP

29 October 2009

Chartered Accountants  
Registered Auditor

2 Bloomsbury Street  
London  
WC1B 3ST

# JOHN SHREEVES & PARTNERS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

		Year Ended 31 December 2008 £	8 Months to 31 December 2007 £
	Notes		
Turnover	2	2,080,239	1,933,764
Cost of sales		(1,697,116)	(1,212,732)
Gross profit		383,123	721,032
Administrative expenses		(946,414)	(404,006)
Other operating income		(12,258)	(83,838)
Operating (loss)/profit	3	(575,549)	233,188
Profit loss on sale of tangible assets		(751)	(5,734)
(Loss)/profit on ordinary activities before interest		(576,300)	227,454
Other interest receivable and similar income	4	281	189
Interest payable and similar charges	5	(12,334)	(11,869)
(Loss)/profit on ordinary activities before taxation		(588,353)	215,774
Tax on (loss)/profit on ordinary activities	6	104,164	(72,202)
(Loss)/profit for the year	13	(484,189)	143,572

The operating loss for the year arises from the Company's continuing operations

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



# JOHN SHREEVES & PARTNERS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	7		111,529		175,445
<b>Current assets</b>					
Debtors	8	888,882		619,886	
Cash at bank and in hand		81,412		272,694	
		<u>970,294</u>		<u>892,580</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,081,257)</u>		<u>(541,516)</u>	
<b>Net current (liabilities)/assets</b>			<u>(110,963)</u>		<u>351,064</u>
<b>Total assets less current liabilities</b>			566		526,509
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(63,259)</u>		<u>(105,013)</u>
			<u>(62,693)</u>		<u>421,496</u>
<b>Capital and reserves</b>					
Called up share capital	12		1,000		1,000
Profit and loss account	13		<u>(63,693)</u>		<u>420,496</u>
<b>Shareholders' (deficit) / funds</b>	14		<u>(62,693)</u>		<u>421,496</u>

The financial statements were approved by the Board and authorised for issue on 29 October 2009 and signed on their behalf by

*Maie Wood (specially authorised signatory)*  
 IE Richter  
 Director

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Despite net liabilities of £62,693 and net current liabilities of £110,963, the directors have prepared the accounts on a going concern basis, since the company has the continued support of its ultimate parent undertaking, Hill International Inc.

#### **1.2 Cash flow**

The company is exempt from preparing a cashflow statement under FRS1 (revised) as it is a wholly owned subsidiary of Hill International Inc which prepares consolidated financial statements.

#### **1.3 Turnover**

Turnover represents the amounts (excluding value added tax) recorded as turnover in respect of amounts recoverable on contracts, and amounts earned to date on other work to the extent that the Company has obtained the right to consideration.

Invoices are rendered in accordance with an agreed timetable and in certain cases the relevant work may be performed after the date of the invoice.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land 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:

Fixtures, fittings & equipment	- 33% to 50% straight line
Motor vehicles	- 33% to 50% straight line

The carrying values of tangible fixed assets are reviewed for impairment, in periods where events of changes in circumstances indicate that the carrying value may not be recoverable.

#### **1.5 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **1 Accounting policies**

(continued)

#### **1.6 Long term contracts**

Long term contracts are assessed on a contract by contract basis and where the outcome of a project can be estimated with reasonable certainty, revenue and costs are recognised in the accounts according to the level of completion. If it is anticipated that a contract will be loss making, all of the loss is recognised as soon as it is foreseen.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

#### **1.7 Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **1.8 Deferred taxation**

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19: Deferred taxation.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not, that they will be recovered.

#### **1.9 Foreign currency transactions**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

### **2 Turnover**

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

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2008

	Year to 31 December 2008 £	8 Months to 31 December 2007 £
<b>3 Operating (loss)/profit</b>		
Operating (loss)/profit is stated after charging:		
Depreciation on tangible fixed assets		
- Owned	10,082	6,666
- Leased	37,943	26,902
Operating lease rentals		
- Plant and machinery	472	117
- Other assets	26,900	6,250
Accountants' remuneration	-	12,500
Other accountant services relating to taxation	-	7,158
	<u>          </u>	<u>          </u>

	Year to 31 December 2008 £	8 Months to 31 December 2007 £
<b>4 Other interest receivable and similar income</b>		
Bank interest	281	189
	<u>          </u>	<u>          </u>

	Year to 31 December 2008 £	8 Months to 31 December 2007 £
<b>5 Interest payable and similar charges</b>		
On bank loans and overdrafts	-	1,336
Hire purchase interest	11,874	10,533
Other interest	460	-
	<u>          </u>	<u>          </u>
	<u>12,334</u>	<u>11,869</u>

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

	Year to 31 December 2008 £	8 Months to 31 December 2007 £
<b>6 Taxation</b>		
<b>Domestic current year tax</b>		
U.K. corporation tax	(104,164)	72,426
Adjustment for prior years	-	(224)
<b>Current tax charge</b>	<u>(104,164)</u>	<u>72,202</u>
<b>Factors affecting the tax charge for the year</b>		
(Loss)/profit on ordinary activities before taxation	<u>(588,353)</u>	<u>215,774</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%)	<u>(167,681)</u>	<u>64,732</u>
Effects of:		
Non deductible expenses	7,856	13,683
Capital allowances in excess of depreciation	(3,485)	288
Group Relief	10,308	(456)
Small companies relief	-	(6,046)
Tax losses carried forward	45,594	-
Tax rate difference on loss carried back	5,685	-
Other tax adjustments	(2,441)	-
	<u>63,517</u>	<u>7,469</u>
<b>Current tax charge</b>	<u>(104,164)</u>	<u>72,201</u>

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

### 7 Tangible fixed assets

	Motor Vehicles £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2008	213,334	374,732	588,066
Additions	-	1,825	1,825
Disposals	(59,837)	-	(59,837)
At 31 December 2008	153,497	376,557	530,054
<b>Depreciation</b>			
At 1 January 2008	61,182	351,439	412,621
On disposals	(42,121)	-	(42,121)
Charge for the year	37,943	10,082	48,025
At 31 December 2008	57,004	361,521	418,525
<b>Net book value</b>			
At 31 December 2008	96,493	15,036	111,529
At 31 December 2007	152,152	23,293	175,445

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 December 2008	96,493
At 31 December 2007	152,152
<b>Depreciation charge for the year</b>	
At 31 December 2008	37,943
At 31 December 2007	26,902

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

8 Debtors	2008 £	2007 £
Trade debtors	306,791	436,777
Amounts recoverable on long term contracts	83,107	59,858
Amounts owed by parent and fellow subsidiary undertakings	257,014	-
Corporation tax	104,078	-
Other debtors	44,691	42,590
Prepayments and accrued income	93,201	80,661
	<u>888,882</u>	<u>619,886</u>

9 Creditors: amounts falling due within one year	2008 £	2007 £
Net obligations under hire purchase contracts	43,351	34,125
Trade creditors	12,669	51,044
Amounts owed to parent and fellow subsidiary undertakings	730,572	-
Corporation tax	19,340	118,577
Other taxes and social security costs	69,384	213,990
Other creditors	29	377
Accruals and deferred income	205,912	123,403
	<u>1,081,257</u>	<u>541,516</u>

Motor vehicles with a net book value of £96,493 are held as security against the net obligations under hire purchase contracts due less than one year of £43,351.

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

<b>10 Creditors: amounts falling due after more than one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>

Net obligations under hire purchase contracts	63,259	105,013
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Motor vehicles with a net book value of £96,493 are held as security against the net obligations under hire purchase contracts due in greater than one year of £63,259

**Net obligations under hire purchase contracts**

Repayable within one year	49,067	46,152
Repayable between one and five years	65,777	111,894

Finance charges and interest allocated to future accounting periods	114,844	158,046
	(8,234)	(18,908)

Included in liabilities falling due within one year	106,610	139,138
	(43,351)	(34,125)

	63,259	105,013
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**11 Pension costs**

**Defined contribution**

<b>2008</b>	<b>2007</b>
<b>£</b>	<b>£</b>

Contributions payable by the company for the year	65,384	29,394
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**12 Share capital**

<b>2008</b>	<b>2007</b>
<b>£</b>	<b>£</b>

**Authorised**

1,000 Ordinary Shares of £1 each	1,000	1,000
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**Allotted, called up and fully paid**

1,000 Ordinary Shares of £1 each	1,000	1,000
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# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

### 13 Reserves

	Profit and loss account £
Balance at 1 January 2008	420,496
Loss for the year	(484,189)
Balance at 31 December 2008	<u>(63,693)</u>

### 14 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
(Loss)/profit for the financial year	(484,189)	143,572
Opening shareholders' funds	<u>421,496</u>	<u>277,924</u>
Closing shareholders' (deficit) / funds	<u>(62,693)</u>	<u>421,496</u>

### 15 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings 2008 £	2007 £
Operating leases which expire:		
Within one year	<u>-</u>	<u>25,000</u>

# JOHN SHREEVES & PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2008

16 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	596,879	342,562
Company pension contributions to money purchase schemes	35,196	12,525
	<u>632,075</u>	<u>355,087</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (2007 - 6).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	103,098	69,840
Company pension contributions to money purchase schemes	11,810	2,738
	<u>114,908</u>	<u>72,578</u>

## 17 Employees

### Number of employees

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

	2008 Number	2007 Number
Fee Earners	20	20
Administrators	5	6
	<u>25</u>	<u>26</u>

	Year to 31 Dec 2008 £	8 Months to 31 Dec 2007 £
<b>Employment costs</b>		
Wages and salaries	1,507,998	878,805
Social security costs	114,320	99,100
Other pension costs	65,384	29,394
	<u>1,687,702</u>	<u>1,007,299</u>

# **JOHN SHREEVES & PARTNERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **18 Control**

The company is a wholly owned subsidiary undertaking of Hill International (UK) Limited, a company registered in England and Wales.

The ultimate controlling party is Hill International Inc from 4 January 2008., a company incorporated in the United States of America, who own 100% of the share capital. The largest and smallest group for which consolidated accounts have been drawn up is that headed by Hill International Inc.

Prior to 4 January 2008 the Company was controlled by John Shreeves, a director.

The consolidated accounts for Hill International Inc can be obtained from the following address:

303 Lippincott Centre  
Marlton  
Marlton  
NJ 08053  
USA.

### **19 Related party transactions**

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8. not to disclose transactions with entities as it is a 90% owned subsidiary included in the consolidated accounts that are publically available.